SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS
DATED March 29, 2021

This Preliminary Prospectus and the information contained herein are subject to completion or amendment without notice. The Offer Shares may not be sold nor may an offer to buy be accepted prior to the time that the Preliminary Prospectus is issued in final form. Under no circumstances shall this Preliminary Prospectus constitute an offer to sell or the solicitation of an offer to buy any Offer Shares nor shall there be any offer, solicitation or sale of the Offer Shares in any jurisdiction where such offer or sale is not permitted.

Monde Nissin

Monde Nissin Corporation

(Incorporated with limited liability in the Republic of the Philippines)

Primary Offer of up to 3,600,000,000 Common Shares
with an Over-allotment Option of up to 540,000,000 Common Shares[1]

Offer Price of [up to ₱17.50] per Share

To be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.

Joint Global Coordinators

UBS | citi | J.P.Morgan

Local Lead Underwriters[2]

BDO Capital | BPI Capital Corporation | First Metro Investment Corporation Metrobank Group

Joint International Bookrunner

Credit Suisse

International Co-Bookrunners

[1] On March 1, 2021, a majority of the board of directors and stockholders representing at least 2/3 of the total issued and outstanding capital stock of Monde Nissin Corporation (the **Company**) approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine Securities Exchange Commission (the **Philippine SEC**). The numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned decrease.

[2] BDO Capital is a subsidiary of BDO Unibank, Inc. which is among the creditors that will be repaid with a portion of the proceeds from the Primary Offer. BPI Capital is a subsidiary of Bank of the Philippine Islands which is among the creditors that will be repaid with a portion of the proceeds from the Primary Offer. First Metro is a subsidiary of Metropolitan Bank & Trust Company which is among the creditors that will be repaid with a portion of the proceeds from the Primary Offer.

MACQUARIE Jefferies

Domestic Co-Lead Managers

[●] **[●]** **[●]**

Selling Agents

Trading Participants of The Philippine Stock Exchange, Inc.

The date of this Prospectus is [●], 2021.

THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION.

Monde Nissin Corporation
Felix Reyes St., Barangay Balibago,
City of Santa Rosa, Laguna, Philippines
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This Prospectus relates to the offer and sale of up to 3,600,000,000 common shares (the **Firm Offer**, and such shares, the **Firm Shares**), with par value of ₱0.50 per share (the **Shares**, or the **Common Shares**), of Monde Nissin Corporation, a corporation organized under Philippine law (the **Company**, or **MNC**). The Firm Shares will comprise up to 3,600,000,000 new Common Shares to be issued and offered by the Company on a primary basis (the **Primary Offer**, and such common shares, the **Primary Offer Shares**) as further described below. The Firm Shares will be offered at a price of [up to ₱17.50] per Firm Share (the **Offer Price**). The determination of the Offer Price is further discussed in the section entitled "*Determination of the Offer Price,*" and is based on a book-building process and discussions between the Company, UBS AG Singapore Branch (**UBS AG**), Citigroup Global Markets Limited (**Citigroup**), J.P. Morgan Securities plc (**J.P. Morgan**, together with UBS AG and Citigroup, the **Joint Global Coordinators**), BDO Capital & Investment Corporation (**BDO Capital**), BPI Capital Corporation **(BPI Capital**) and First Metro Investment Corporation (**First Metro**, together with BDO Capital and BPI Capital, the **Local Lead Underwriters**), Credit Suisse (Singapore) Limited (the **Joint International Bookrunner**), Macquarie Capital Securities (Singapore) Pte. Limited (**Macquarie**) and Jefferies Singapore Limited (**Jefferies**, together with Macquarie, the **International Co-Bookrunners**) and [●], [●], and [●] (together, the **Domestic Co-Lead Managers**). A total of up to 17,968,611,496 Shares will be outstanding after the Firm Offer. The Firm Shares will represent approximately [20.0]% of the issued and outstanding capital stock of the Company after completion of the Offer (as defined below).[3]

The Selling Shareholder has granted [UBS AG Singapore Branch], in its role as stabilizing agent (the **Stabilizing Agent**), an option exercisable in whole or in part from and including the date of listing and when trading of the Shares commences on The Philippine Stock Exchange, Inc. (**PSE**) (the **Listing Date**) and ending on the date 30 calendar days from and including the Listing Date to purchase up to approximately 15.0% of the aggregate number of the Firm Shares or up to an additional 540,000,000 Shares at the Offer Price (the **Option Shares**), on the same terms and conditions as the Firm Shares as set forth in this Prospectus, solely to cover over-allotments, if any (the **Over-allotment Option**). The Over-allotment Option, to the extent not fully exercised by the Stabilizing Agent, shall be deemed cancelled and the relevant Option Shares shall be re-delivered to the Selling Shareholder. Any decision to terminate the stabilization activities (and accordingly return shares and/or cash to the Selling Shareholder) before the end of the 30-day stabilization period shall be subject to the mutual agreement among the Stabilizing Agent, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners, the Domestic Co-Lead Managers, and the Company on behalf of the Selling Shareholder. The Philippine Securities and Exchange Commission (the **Philippine SEC**) approved the conduct of stabilization activities by the Stabilizing Agent on [●], 2021. The Firm Shares and the Option Shares are referred to as the **Offer Shares**, and the offer of the Offer Shares is referred to as the **Offer**. See "*Plan of Distribution*" on page 312. The Offer Shares will be listed and traded on the Main Board of the PSE under the stock symbol "MONDE."[4]

On March 1, 2021, a majority of the board of directors and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, change of structure of authorized shares. Such change is subject to approval by the Philippine SEC. Assuming effectiveness of such change, the Company would have an authorized capital stock of ₱12,000,000,000 divided into 20,400,000,000 Common Shares with a par value of ₱0.50 per Share, 400,000,000 Class A preferred shares with a par value of ₱1.00 per share, 800,000,000 Class B preferred shares with a par value of ₱1.00 per share, and 2,400,000,000 Class C preferred shares with a par value of ₱0.25 per share, of which 14,368,611,496 Common Shares are issued and outstanding as of the date of this Prospectus.

[3] See footnote 1.
[4] See footnote 1.

The total proceeds to be raised by the Company from the sale of the Primary Offer Shares will be up to approximately ₱63,000.0 million. The net proceeds to be raised by the Company from the sale of the Primary Offer Shares (after deduction of estimated fees and expenses of approximately ₱[2,483.6] million) will be approximately ₱[60,516.4] million. The Company intends to use the net proceeds from the Primary Offer to fund Capital Expenditure (as defined below), redemption of the Arran Convertible Note (as defined below) and repayment of loans to commercial banks, namely BDO Unibank, Inc., Metropolitan Bank & Trust Company and Bank of the Philippine Islands. BDO Unibank, Inc. is the parent company of BDO Capital. Metropolitan Bank & Trust Company is the parent company of First Metro. Bank of the Philippine Islands is the parent company of BPI Capital. For a more detailed discussion of the Company's proposed use of proceeds, see "*Use of Proceeds*" on page 84. The Selling Shareholder will receive net proceeds of approximately ₱[9,128.7] million from the sale of the Option Shares, assuming full exercise of the Over-allotment Option (after deducting fees and expenses payable by the Selling Shareholder), while the Company will not receive any of such proceeds.

The Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner and the International Co-Bookrunners will receive from the Company a commission of up to [3.0]% of the gross proceeds from the sale of the Offer Shares. This is inclusive of the amounts to be paid to other participating underwriters and selling agents, where applicable, and exclusive of the amounts to be paid to the duly licensed securities brokers who are trading participants of the PSE (the **PSE Trading Participants**) as selling agents. Any Firm Shares left unsubscribed after the Trading Participants and Retail Offer Period (as defined below) and the Institutional Offer (excluding Option Shares) will be firmly underwritten by the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, and the International Co-Bookrunners. For a more detailed discussion, see "*Plan of Distribution*" on page 312.

[At least 2,520,000,000] Firm Shares (or about [70]% of the Firm Shares) (the **Institutional Offer Shares**) are (subject to reallocation as described below) being offered and sold (i) by the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners (A) outside the United States in offshore transactions in reliance on Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**) and (B) in the United States only to Qualified Institutional Buyers (**U.S. QIBs**) as defined in Rule 144A under the U.S. Securities Act, and (ii) by the Local Lead Underwriters to domestic qualified institutional buyers (**Domestic QIBs**) in the Philippines (collectively, the **Institutional Offer**). [Up to 1,080,000,000] Firm Shares (or about [30]% of the Firm Shares) (the **Trading Participants and Retail Offer Shares**) are (subject to reallocation as described below) being offered and sold by the Local Lead Underwriters in the Philippines to all of the PSE Trading Participants and to local small investors (the **LSIs**) under the Local Small Investors Program in the Philippines (the **Trading Participants and Retail Offer**). The amount of Firm Shares to be made available to the PSE Trading Participants and LSIs will be [up to 720,000,000] and [up to 360,000,000] Firm Shares, or [20]% and [10]%, respectively, of the Firm Shares.[5]

The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as may be agreed between the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner and the International Co-Bookrunners. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

Each holder of Shares will be entitled to such dividends as may be declared by the Company's Board of Directors (the **Board**), at its sole discretion, provided that any stock dividend declaration will require the approval of shareholders holding at least two-thirds of the Company's total outstanding capital stock. The Revised Corporation Code has defined "outstanding capital stock" as the total shares of stock issued, whether or not paid in full, except treasury shares. At the meeting of the Board held on March 12, 2021, the Board resolved to adopt

[5] See footnote 1.

and maintain an annual dividend payment ratio of 60% of the preceding fiscal year's net income after tax, subject to the requirements of applicable laws and regulations, capital expenditure requirements, compliance with the Company's loan covenants, and other circumstances which restrict the payment of dividends. There can be no guarantee that the Company will pay any dividends in the future. Dividends may be declared only from the Company's unrestricted retained earnings. See "*Dividends and Dividend Policy*" on page 90.

The Company has exercised diligence to the effect that, and it confirms that, after having taken reasonable care to ensure that such is the case, as of the date of this Prospectus, the information contained in this Prospectus relating to the Company and its operations is true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect and the Company hereby accepts responsibility under and in accordance with the Securities Regulation Code of the Philippines (**SRC**) for the accuracy of the material information contained in this Prospectus relating to the Company and its operations.

All of the Shares issued and to be issued pursuant to the Offer have, or will have, identical rights and privileges. The Shares may be owned by any person or entity regardless of citizenship or nationality, as the Company is not subject to any foreign ownership restriction. Investors acknowledge that there are certain ownership restrictions and limits on Shares subject to the Offer that must be complied with pursuant to Philippine law. See "*Regulatory and Environmental Matters"* on page 251 and *"Plan of Distribution*" on page 312.

The listing of the Offer Shares is subject to the approval of the PSE. An application to list the Offer Shares as well as the rest of the Shares was lodged with the PSE on March 4, 2021 and approved on [●], 2021 by the board of directors of the PSE. The PSE assumes no responsibility for the correctness of any statements made or opinions expressed in this Prospectus. The PSE makes no representation as to its completeness and expressly disclaims any liability whatsoever for any loss arising from reliance on the entire or any part of this Prospectus. Such an approval for listing is permissive only and does not constitute a recommendation or endorsement by the PSE or the Philippine SEC of the Shares. Prior to the Offer, there has been no public market for the Shares. Accordingly, there has been no market price for the Shares derived from day-to-day trading.

An application to the Philippine SEC to register the Shares under the provisions of the SRC was made on March 4, 2021 and approved on [●], 2021.

Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Shares. These risks include:

- risks relating to the Group and its business in general;
- risks relating to the Group's APAC BFB Business;
- risks relating to the Group's Meat Alternative Business;
- regulatory risks;
- risks relating to the Philippines;
- risks relating to the Offer and the Offer Shares; and
- risks relating to certain information in this Prospectus.

See the section entitled "*Risk Factors*" on page 51 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Offer Shares.

The Offer Shares are offered subject to the receipt and acceptance of any order by the Company and subject to the Company's right to reject any order in whole or in part. It is expected that the Offer Shares will be delivered in book-entry form against payment thereof to the Philippine Depository and Trust Corporation (the **PDTC**) on or about [●], 2021.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN

DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

Monde Nissin Corporation

By:

(original signed)
Henry Soesanto
Chief Executive Officer and Director

REPUBLIC OF THE PHILIPPINES)
CITY OF _________) SS.

BEFORE ME, a notary public in and for the city named above, personally appeared Henry Soesanto, Chief Executive Officer and Director of Monde Nissin Corporation, who was identified by me through competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

WITNESS MY HAND AND SEAL this ___day of _______ 2021 at _____________.

Doc. No._____;
Page No. _____;
Book No. _____;
Series of 2021.

No representation or warranty, express or implied, is made by the Company or the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners or the Domestic Co-Lead Managers regarding the legality of an investment in the Offer Shares under any legal, investment or similar laws or regulations. The contents of this Prospectus are not investment, legal or tax advice. Prospective investors should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Offer Shares. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own examination of the Company and the terms of the Offer, including the merits and risks involved. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares is prohibited.

THE OFFER SHARES ARE BEING OFFERED ON THE BASIS OF THIS PROSPECTUS ONLY. ANY DECISION TO PURCHASE THE OFFER SHARES MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and are not being offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares may be subject to certain transfer restrictions as described herein.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners or the Domestic Co-Lead Managers. This Prospectus does not constitute an offer to sell or the solicitation of an offer to purchase any securities other than the Offer Shares or an offer to sell or the solicitation of an offer to purchase such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale of the Offer Shares offered hereby shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

The operating information used throughout this Prospectus has been calculated by the Company on the basis of certain assumptions made by it. As a result, this operating information may not be comparable to similar operating information reported by other companies.

In accordance with the requirements of applicable laws and regulations in the Philippines for the sale of securities, such as the Offer Shares, in the Philippines, the Local Lead Underwriters, the Domestic Co-Lead Managers and the Company have exercised the required due diligence to the effect that, and the Local Lead Underwriters, the Domestic Co-Lead Managers and the Company confirm, that to the best of their knowledge and belief after having taken reasonable care to ensure that such is the case, as of the date of this Prospectus, the information contained in this Prospectus relating to the Company and its operations is true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect. The Local Lead Underwriters and the Domestic Co-Lead Managers assume no liability for any information supplied by the Company in relation to this Prospectus. Each person contemplating an investment in the Offer Shares should make their own investigation and analysis of the creditworthiness of the Company and their own determination of the suitability of any such investment.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. The Company, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners and the Domestic Co-Lead Managers require persons into whose possession this Prospectus comes to inform them about, and to observe, any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Each prospective purchaser of the Offer Shares must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or resells

the Offer Shares, or possesses and distributes this Prospectus and must obtain any consents, approvals or permissions required for the purchase, offer, sale or resale by it of the Offer Shares under the laws, rules and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or resales, and none of the Company, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners or the Domestic Co-Lead Managers shall have any responsibility therefor.

In connection with the Offer, the Stabilizing Agent or any person acting on its behalf may over-allot Option Shares or effect transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no assurance that the Stabilizing Agent (or any person acting on behalf of the Stabilizing Agent) will undertake stabilization activities. Any stabilization activities may begin on or after the Listing Date and, if begun, may be ended at any time subject to the mutual agreement among the Stabilizing Agent, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners and the Company on behalf of the Selling Shareholder, but must end no later than 30 calendar days from and including the Listing Date. Any gain that may be realized by the Stabilizing Agent from its conduct of stabilization activities, net of all transaction costs incurred, shall be shared by the Stabilizing Agent equally with the Selling Shareholder. Any stabilization activities shall be done in compliance with all applicable laws, regulations and rules. The total number of Offer Shares which the Stabilizing Agent or any agent of it may buy to undertake any stabilizing activities shall not exceed 15.0% of the aggregate number of the Firm Shares.

The Company reserves the right to withdraw the offer and sale of Offer Shares at any time, and the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner and the International Co-Bookrunners reserve the right to reject any commitment to subscribe for the Offer Shares in whole or in part and to allot to any prospective purchaser less than the full amount of the Offer Shares sought by such purchaser. If the Offer is withdrawn or discontinued, the Company shall subsequently notify the Philippine SEC and the PSE. The Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners and the Domestic Co-Lead Managers and certain related entities may acquire for their own account a portion of the Offer Shares.

Each offeree of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

CONVENTIONS WHICH APPLY TO THIS PROSPECTUS

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to the "Company" and "MNC" are to Monde Nissin Corporation. All references to the "Group" are to Monde Nissin Corporation and its subsidiaries. All references to the "Shares" and the "Common Shares" are references to the common shares of the Company. All references to the "Philippines" are references to the Republic of the Philippines. All references to the "Government" are to the national government of the Philippines. All references to the "BSP" are references to Bangko Sentral ng Pilipinas, the central bank of the Philippines. All references to "United States," "U.S." or "US" are to the United States of America. All references to "United Kingdom," "U.K.," or "UK" are to the United Kingdom of Great Britain and Northern Ireland. All references to "EU" are to the European Union. All references to "Peso," "Philippine peso," "PHP" and "₱" are to the lawful currency of the Philippines, all references to "U.S. dollars," "U.S.$" and "US$" are to the lawful currency of the United States, all references to "British Pound," "Sterling," "GBP" and "£" are to the lawful currency of the United Kingdom, and all references to "Euro" and "€"are to the lawful currency of the European Union. The Group publishes its consolidated financial statements in Philippine pesos.

This Prospectus contains translations of certain Philippine peso amounts into U.S. dollar amounts at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the Philippine peso amounts represent such U.S. dollar amounts or could be, or could have been, converted into U.S. dollars at the rates indicated or at all. All translations from Philippine pesos to U.S. dollars of figures from the Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2020 have been made at a rate of ₱49.6241 = U.S.$1.00, being the simple weighted

average rate of the BSP weighted average for each month of 2020. All translations from Philippine pesos to U.S. dollars of figures from the Group's consolidated statement of financial position as of December 31, 2020 have been made at a rate of ₱48.036 = U.S.$1.00, being the rate for the conversion of U.S. dollars to Philippine pesos quoted in the BSP Daily Reference Exchange Rate Bulletin on December 29, 2020 (the last date in December 2020 that such rate was published). See "*Exchange Rates*" on page 89 for further information regarding the rates of exchange between the Philippine peso and the U.S. dollar.

The items expressed in the Glossary of Terms may be defined otherwise by appropriate government agencies or regulations from time to time, or by conventional or industry usage.

BASIS FOR CERTAIN MARKET DATA

Certain statistical information and forecasts in this Prospectus relating to the Philippines and other data used in this Prospectus were obtained or derived from internal surveys, market research, governmental data, publicly available information and/or industry publications. This Prospectus also contains: (i) industry information which was prepared from available public sources and independent market research conducted by Euromonitor International Limited (**Euromonitor**) to provide an overview of the packaged food industry in the Philippines and Thailand in which the Company's businesses operate; (ii) industry information which was prepared from available public sources and industry market reports, conducted by OC&C Strategy Consultants LLP (**OC&C**) to provide an overview of the alternative meat industry in which the Company's businesses operate; (iii) industry information derived from industry surveys conducted by The Nielsen Company (Philippines), Inc. (**Nielsen**); and (iv) industry information derived from industry surveys conducted by Kantar Philippines, Inc. (**Kantar**).

However, there is no assurance and, accordingly, the Company, Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners and the Domestic Co-Lead Managers make no representation that such information is accurate or complete. Similarly, internal surveys, industry forecasts, market research, governmental data, publicly available information and/or industry publications have not been independently verified by the Company, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners or the Domestic Co-Lead Managers and may not be accurate, complete, up to date, balanced or consistent with other information compiled within or outside the Philippines. Such information should not be relied upon in making, or refraining from making, any investment decision. Also see "*Risk Factors — Risks Relating to Certain Information in this Prospectus — Certain information contained herein is derived from unofficial publications and distinct market research reports*" on page 83. For more information about Euromonitor and OC&C, see "Industry Experts" on page 321.

Industry Surveys by Nielsen

This Prospectus contains industry information (**Nielsen information**) derived from industry surveys conducted by Nielsen.

Nielsen information reflects estimates of market conditions based on samples and is prepared primarily as a marketing research tool for consumer packaged goods manufacturers and others in the consumer goods industry. Nielsen information is not a substitute for financial, investment, legal or other professional advice and should not be viewed as a basis for investments. References to Nielsen should not be considered as Nielsen's opinion as to the value of any security or the advisability of investing in any company, product or industry.

Apart from the conduct of market research and/or industry surveys, Nielsen has no relationship with the Company.

Industry Surveys by Kantar

This Prospectus contains industry information derived from industry surveys conducted by Kantar with respect to iconic brands and the most chosen brands (from Kantar (Worldpanel Division) Household Panel Study for the period of 2014 to 2020).

Apart from the conduct of market research and/or industry surveys, Kantar has no relationship with the Company.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All financial and other data regarding the Company's and the Group's business and operations in this Prospectus are presented on a consolidated basis, unless otherwise indicated (such as net sales per product group, per product line, and per distribution channel of the APAC BFB Business which are based on sales of MNC in the Philippines).

The Group's consolidated financial statements are reported in Philippine pesos and are prepared based on its accounting policies, which are in accordance with the Philippine Financial Reporting Standards (**PFRSs**) issued by the Financial Reporting Standards Council of the Philippines. PFRSs include statements named PFRSs, Philippine Accounting Standards, and Philippine Interpretations of International Financial Reporting Interpretations Committee interpretations issued by the Financial Reporting Standards Council. This Prospectus includes the Group's audited consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020. In addition, certain information discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 140, particularly with respect to the year ended December 31, 2018 compared to the year ended December 31, 2017, includes analyses relating to the Group's consolidated financial information as of and for the year ended December 31, 2017.

The Group adopted PFRS 9, *Financial Instruments,* and PFRS 15, *Revenue from Contracts with Customers*, using the modified retrospective method of adoption with an initial application date of January 1, 2018. Amounts presented in the consolidated statement of comprehensive income for the year ended December 31, 2017 are based on PAS 39, *Financial Instruments: Recognition and Measurement* and PAS 18, *Revenue.* The comparative financial information for accounts affected by the adoption of PFRS 9 and PFRS 15 may not be comparable to the information presented for each of 2018, 2019 and 2020.

The Group adopted PFRS 16, *Leases*, using the modified retrospective approach upon adoption on January 1, 2019 and elected to apply the standard to contracts that were previously identified as leases applying PAS 17, *Leases,* and Philippine Interpretation IFRIC-4, *Determining whether an Arrangement Contains a Lease*. Amounts presented in the consolidated statement of financial position as of December 31, 2018 and consolidated statements of comprehensive income for the years ended December 31, 2017 and 2018 are based on PAS 17 and Philippine Interpretation IFRIC 4. The comparative financial information for accounts affected by the adoption of PFRS 16 may not be comparable to the information presented as of and for the years ended December 31, 2019 and 2020.

This Prospectus includes certain non-PFRS financial measures for the Group, including EBITDA, EBIT, and other related ratios, and certain non-PFRS operating measures for the Group. EBITDA and EBIT are not measurements of financial performance under PFRSs and investors should not consider them in isolation or as an alternative to profit or loss for the year, income or loss from operations, an indicator of the Group's operating performance, cash flow from operating, investing and financing activities, or as a measure of liquidity or any other measures of performance under PFRSs. Non-PFRS financial measures have limitations as analytical tools and investors should not consider them in isolation from, or as a substitute for, investors' own analysis of the Group's financial condition or results of operations. As there are various calculation methods for EBITDA and EBIT, the Group's presentation of this measure may not be comparable to similarly titled measures used by other companies.

The Company's fiscal year begins on January 1 and ends on December 31 of each year. SyCip Gorres Velayo & Co. (**SGV**), a member firm of Ernst & Young Global Limited (**EY**), has audited the Group's consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020, which are included in this Prospectus.

Figures in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary and figures which are totals may not be an arithmetic aggregate of their components.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's and the Group's present and future business strategies and the environment in which the Group will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- risks relating to the Group and its business in general;
- risks relating to the Group's APAC BFB Business;
- risks relating to the Group's Meat Alternative Business;
- risks relating to the Philippines;
- risks relating to the Offer and the Offer Shares; and
- risks relating to certain information in this Prospectus.

Additional factors that could cause the Company's and the Group's actual results, performance or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under "*Risk Factors*" on page 51 and elsewhere in this Prospectus. These forward-looking statements speak only as of the date of this Prospectus. The Company, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners and the Domestic Co-Lead Managers expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

This Prospectus includes statements regarding the Company's expectations and projections for future operating performance and business prospects. The words "believe," "may," "will," "continue," "plan," "expect," "anticipate," "estimate," "project," "intend," "target" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. Statements in this Prospectus as to the opinions, beliefs, and intentions of the Company accurately reflect in all material respects the opinions, beliefs and intentions of its management as to such matters as of the date of this Prospectus, although the Company gives no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. The Company's actual results could differ substantially from those anticipated in the Company's forward-looking statements. This Prospectus discloses, under the section "*Risk Factors*" on page 51 and elsewhere, important factors that could cause actual results to differ materially from the Company expectations. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the above cautionary statements.

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GLOSSARY OF TERMS

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

APAC	Asia-Pacific
APAC BFB Business or **APAC BFB segment**	APAC branded food and beverage business, a business segment of the Group, as further described in "*Business - Group Overview"*
APAC BFB Group	The Company and its subsidiaries other than Monde Nissin (UK) Limited and Marlow Foods Limited and its subsidiaries which trade as Quorn Foods
Application	An application to subscribe or purchase the Offer Shares
Arran Convertible Note	The convertible note of principal amount of ₱9,122,684,658, issued by the Company on April 12, 2019 and held in the name of Arran Investment Pte. Ltd.
ASRS	Automated storage and retrieval system
Audited Consolidated Financial Statements	The audited consolidated financial statements of the Group as of and for the years ended December 31, 2018, 2019 and 2020
B2B	Business to business
BDO Capital	BDO Capital & Investment Corporation
Board Lot[6]	[100] Shares as a trading unit
Bottin et al., 2016	Jeanne H. Bottin, Jonathan R. Swann, Eleanor Cropp, Edward S. Chambers, Heather E. Ford, Mohammed A. Ghatei, and Gary S. Frost. Mycoprotein reduces energy intake and postprandial insulin release without altering glucagon-like peptide-1 and peptide tyrosine-tyrosine concentrations in healthy overweight and obese adults: a randomised-controlled trial. *Br J Nutr.* 2016 Jul 28; 116(2): 360–374
BPI Capital	BPI Capital Corporation
Brexit	The withdrawal of the United Kingdom from the European Union and the European Atomic Energy Community
British Pound, **Sterling**, or **£**	The lawful currency of the United Kingdom
BSP	The Bangko Sentral ng Pilipinas, the central bank of the Philippines
CAGR	Compound annual growth rate, computed through the formula: CAGR = (Ending amount / beginning amount)$^{1/N}$ – 1 Ending amount is the amount at the end of the period; beginning amount is the amount at the beginning of the period; N is the number of years within the period

[6] On March 1, 2021, a majority of the Board and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine SEC. The numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned reduction of par value.

Capital Expenditure	Capital expenditure which includes addition to property, plant and equipment and excludes rights of use
CEO	Chief executive officer
CFO	Chief financial officer
Citigroup	Citigroup Global Markets Limited
Coelho et al., 2020	Mariana O C Coelho, Alistair J Monteyne, Mandy V Dunlop, Hannah C Harris, Douglas J Morrison, Francis B Stephens, Benjamin T Wall. Mycoprotein as a possible alternative source of dietary protein to support muscle and metabolic health, *Nutrition Reviews,* Volume 78, Issue 6, June 2020, Pages 486-497
Colosimo et al., 2020	Raffaele Colosimo, Ana-Isabel Mulet-Cabero, Frederick J. Warren, Cathrina H. Edwards, Tim J. A. Finnigan and Pete J. Wilde. Mycoprotein ingredient structure reduces lipolysis and binds bile salts during simulated gastrointestinal digestion. *Food Funct.*, 2020, 11, 10896-10906
COGS	Cost of goods sold
Cornerstone Investors	Cornerstone investors described in the section "*Plan of Distribution — The Institutional Offer — Cornerstone Investment Agreements — The Cornerstone Investors*"
Cornerstone Shares	Shares offered to the Cornerstone Investors
Credit Suisse	Credit Suisse (Singapore) Limited
Date of this Prospectus	March 26, 2021
Denny et al., 2008	A. Denny, B. Aisbitt, J. Lunn. Mycoprotein and health. *Nutrition Bulletin,* Volume 33, Issue 4, December 2008, Pages 298-310
DENR	Department of Environment and Natural Resources of the Philippines
Derbyshire and Ayoob, 2019	Emma Derbyshire, Keith-Thomas Ayoob. Mycoprotein Nutritional and Health Properties. *Nutrition Today*: 1/2 2019 - Volume 54 - Issue 1 - p 7-15
Domestic Co-Lead Managers	[●], [●], and [●]
Domestic QIBs	Domestic qualified institutional buyers in the Philippines
Domestic Underwriting Agreement	The domestic underwriting agreement among the Company, the Selling Shareholder and the Local Lead Underwriters and executed on [●], 2021
DTI	The Philippine Department of Trade and Industry
EBIT	Earnings before interest and taxes, of which the calculation method is set out in "*Summary Financial and Operating Information— Other Financial Data*"
EBITDA	Earnings before interest, taxes, depreciation, and amortization, of which the calculation method is set out in "*Summary Financial and Operating Information— Other Financial Data*"

Edwards and Cummings, 2010	Edwards, D., & Cummings, J. (2010). The protein quality of mycoprotein. *Proceedings of the Nutrition Society*, 69 (OCE4), E331
Escrow Agent	BDO Unibank Inc. – Trust and Investment Group
EU	The European Union
Euro, or **€**	The lawful currency of the European Union
Euromonitor	Euromonitor International Limited
ESG	Environmental, social, and governance
Finnigan et al., 2017	T. Finnigan, L. Needham and C. Abbott. Mycoprotein: Chapter 19 – Mycoprotein: A Healthy New Protein With a Low Environmental Impact, Editor(s): Sudarshan R. Nadathur, Janitha P.D. Wanasundara, Laurie Scanlin, *Sustainable Protein Sources,* Academic Press, 2017, Pages 305-325
Finnigan et al., 2019	Tim J A Finnigan, Benjamin T Wall, Peter J Wilde, Francis B Stephens, Steve L Taylor, Marjorie R Freedman. Mycoprotein: The Future of Nutritious Nonmeat Protein, a Symposium Review, *Current Developments in Nutrition,* Volume 3, Issue 6, June 2019, nzz021
Firm Offer[7]	The offer and sale of up to 3,600,000,000 common shares with par value of ₱0.50 per share of Monde Nissin Corporation, comprising the Primary Offer
Firm Shares[8]	Up to 3,600,000,000 common shares with par value of ₱0.50 per share of Monde Nissin Corporation to be offered pursuant to the Firm Offer, comprising the Primary Offer Shares
First Metro	First Metro Investment Corporation
FMCG	Fast-moving consumer goods
FVOCI	Fair value through other comprehensive income
GMO	Genetically modified organisms
GMP	Good manufacturing practice
Government	The national government of the Philippines
Harris et al., 2019	Harris HC, Edwards CA, Morrison DJ. Short Chain Fatty Acid Production from Mycoprotein and Mycoprotein Fibre in an In Vitro Fermentation Model. *Nutrients*. 2019;11(4):800
Institutional Offer	The offer of the Institutional Offer Shares: (i) outside the Philippines and the United States in offshore transactions in reliance on Regulation S; (ii) in the United States only to U.S. QIBs; and (iii) in the Philippines to Domestic QIBs
Institutional Offer Shares[9]	At least 2,520,000,000 Common Shares to be offered pursuant to the Institutional Offer

[7] See footnote 6.
[8] See footnote 6.
[9] See footnote 6.

International Co-Bookrunners	Macquarie and Jefferies
International Purchase Agreement	The international purchase agreement among the Company, the Selling Shareholder, the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners and executed on [●], 2021
IT	Information technology
J.P. Morgan	J.P. Morgan Securities plc
Jefferies	Jefferies Singapore Limited
Joint Global Coordinators	UBS AG, Citigroup and J.P. Morgan
Joint International Bookrunner	Credit Suisse
Kantar	Kantar Philippines, Inc.
Listing Date	[●], 2021
Local Lead Underwriters	BDO Capital, BPI Capital and First Metro
LSIs	Local small investors
Macquarie	Macquarie Capital Securities (Singapore) Pte. Limited
Meat Alternative Business	A business segment of the Group, as further described in "*Business — Group Overview*"
MLI	Monde Land, Inc.
MMYSC	Monde M.Y. San Corporation
MNA	Monde Nissin (Australia) Pty. Ltd.
MNSPL	Monde Nissin Singapore Pte. Ltd.
MNTH	Monde Nissin (Thailand) Co. Ltd.
MNUK	Monde Nissin (UK) Ltd.
Monteyne et al., 2020(a)	Alistair J Monteyne, Mariana O C Coelho, Craig Porter, Doaa R Abdelrahman, Thomas S O Jameson, Sarah R Jackman, Jamie R Blackwell, Tim J A Finnigan, Francis B Stephens, Marlou L Dirks, Benjamin T Wall. Mycoprotein ingestion stimulates protein synthesis rates to a greater extent than milk protein in rested and exercised skeletal muscle of healthy young men: a randomized controlled trial, *The American Journal of Clinical Nutrition*, Volume 112, Issue 2, August 2020, Pages 318–333
Monteyne et al., 2020(b)	Alistair J Monteyne, Mariana O C Coelho, Craig Porter, Doaa R Abdelrahman, Thomas S O Jameson, Tim J A Finnigan, Francis B Stephens, Marlou L Dirks, Benjamin T Wall. Branched-Chain Amino Acid Fortification Does Not Restore Muscle Protein Synthesis Rates following Ingestion of Lower- Compared with Higher-Dose Mycoprotein, *The*

	Journal of Nutrition, Volume 150, Issue 11, November 2020, Pages 2931–2941
MRPI	Monde Rizal Properties, Inc.
NGO	Non-governmental organization
Nielsen	The Nielsen Company (Philippines), Inc.
NPD	New product development
OC&C	OC&C Strategy Consultants LLP
Offer Price[10]	[Up to ₱17.50] per Offer Share
Offer Shares	The Firm Shares and the Option Shares
Option Shares[11]	Up to 540,000,000 Common Shares to be offered by the Selling Shareholder on an over-allotment basis
Over-allotment Option[12]	Offer of up to 540,000,000 Common Shares to be offered by the Selling Shareholder on an over-allotment basis
Oxford University, 2019	Oxford Martin School, Oxford University. Meat: the Future series, Alternative Proteins, *World Economic Forum's 2019 White Paper*
PAS	Philippine Accounting Standard
PCD	The Philippine Central Depository
PDS	The Philippine Dealing System, a computer network supervised by the BSP, through which the members of the Bankers Association of the Philippines effect spot and forward currency exchange transactions
PDTC	The Philippine Depository and Trust Corporation
PDTC Participant	Depository participant approved by the Philippine Depository and Trust Corporation
Peso, **Philippine peso**, or **₱**	The lawful currency of the Philippines
PFRSs	Philippine Financial Reporting Standards
Philippine SEC	The Securities and Exchange Commission of the Republic of the Philippines
Philippines	The Republic of the Philippines
Pirt, 1975	Pirt, S. J. (1975). *Principles of microbe and cell cultivation.* Oxford, UK: Blackwell Scientific Publications
Price Act	Philippines Republic Act No. 7581

[10] See footnote 6.
[11] See footnote 6.
[12] See footnote 6.

Primary Offer[13]	Issuance and offer of up to 3,600,000,000 new Common Shares by the Company on a primary basis
Primary Offer Shares[14]	Up to 3,600,000,000 new Common Shares to be issued and offered by the Company pursuant to the Primary Offer
PSE	The Philippine Stock Exchange
PSE EASy	EASy electronic allocation system of the PSE
PSE Edge	The PSE Electronic Disclosure Generation Technology
PSE Trading Participants	Duly licensed securities brokers who are trading participants of the PSE
QA	Quality assurance
QSR	Quick service restaurant
Quorn Foods	Marlow Foods Limited and its subsidiaries, the operating entities for the manufacturing, marketing, and sales of products under *Quorn* and *Cauldron* brands, which trade under the name "Quorn Foods"
Receiving Agent	BDO Unibank Inc.
Regulation S	Regulation S under the U.S. Securities Act
Revised Corporation Code	The Revised Corporation Code of the Philippines, Republic Act No. 11232
Righelato, 1979	Righelato, R. C. (1979). The kinetics of mycelial growth. In J. H. Burnett, & A. P. J. Trinci (Eds.), *Fungal Walls and Hyphal Growth* (pp. 385-401). Cambridge, UK: Cambridge University Press
RTGS	Real Time Gross Settlement
R&D	Research and development
Sadler, 1988	Sadler, M. (1988). Quorn. *Nutrition and Food Science*, 112, 9-11
Selling Agents	PSE Trading Participants
Selling Shareholder	Henry Soesanto
Shares or **Common Shares**[15]	Common shares with par value of ₱0.50 per share of Monde Nissin Corporation
SKU	Stock keeping unit
SRC	Securities Regulation Code of the Philippines
SRP	Suggested retail price issued by the DTI
Stabilizing Agent	[UBS AG Singapore Branch]

[13] See footnote 6.
[14] See footnote 6.
[15] See footnote 6.

Stock Transfer Agent	BDO Unibank Inc. – Trust and Investment Group
the **Board**	The board of directors of the Company
the **Company**, or **MNC**	Monde Nissin Corporation
the **Group**	The Company and its subsidiaries
the **Offer**	The offer of the Offer Shares
Trading Participants and Retail Offer	The offer for sale of the Trading Participants and Retail Offer Shares to all of the PSE Trading Participants and to local small investors under the Local Small Investors Program in the Philippines
Trading Participants and Retail Offer Shares[16]	[Up to 1,080,000,000] of the Offer Shares being offered pursuant to the Trading Participants and Retail Offer
Trinci, 1991	Trinci, A. P. J. (1991). Quorn mycoprotein. *Mycologist*, 5(3), 106-109
Trinci, 1992	Trinci, A. P. J. (1992). Mycoprotein: A twenty-year overnight success story. *Mycological Research*, 96(1), 1-13
U.S. dollars, **U.S.$**, or **US$**	The lawful currency of the United States
U.S. FDA	The U.S. Food and Drug Administration
U.S. QIBs	Qualified Institutional Buyers defined in Rule 144A under the U.S. Securities Act
U.S. Securities Act	The United States Securities Act of 1933, as amended
UBS AG	UBS AG Singapore Branch
United Kingdom, **U.K.**, **or UK**	The United Kingdom of Great Britain and Northern Ireland
United States, **U.S.** or **US**	The United States of America

[16] See footnote 6.

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements, including notes thereto, appearing elsewhere in this Prospectus. Capitalized terms not defined in this summary are defined in the "Glossary of Terms" on page 1, "Risk Factors" on page 51, "Business" on page 178 or elsewhere in this Prospectus.

Market share data in this section from Nielsen differs from market share data in the Industry Overview from Euromonitor. Prospective investors should refer to market share data in both sections. See "Basis for Certain Market Data" on page viii.

GROUP OVERVIEW

The Group is among the frontrunners in the food manufacturing industry in the Philippines with a portfolio of various iconic and well-recognized brands. The Group's two core businesses are the Asia-Pacific Branded Food and Beverage Business (**APAC BFB Business**) and the meat alternative business (**Meat Alternative Business**), which includes the production, marketing and sales of the *Quorn* and *Cauldron* meat alternatives brands. The APAC BFB Business comprises three product groups: (i) instant noodles; (ii) biscuits; and (iii) other products (such as beverages, baked goods and culinary aids). According to Nielsen, in 2020, the APAC BFB Business ranked first in retail sales value in the Philippines in instant noodles and biscuits, as well as oyster sauce and yogurt drinks, sub-categories of the Others product group. In 2020, the Group's instant noodles, biscuits, yogurt drinks and oyster sauce constituted 68.0%, 30.5%, 73.2% and 56.0% of retail sales market share in the Philippines, respectively, according to Nielsen. Flagship brands contributing to the APAC BFB Business' market-leading position include: *Lucky Me!* for instant noodles; *SkyFlakes*, *Fita*, *Nissin* and *M.Y. San Grahams* for biscuits; *Mama Sita's* for culinary aids and *Dutch Mill* for yogurt drinks. Quorn Foods is the market leader in the meat alternatives market in the U.K. with *Quorn* and *Cauldron* being the No.1 and No.3 brands with 28% and 5% grocery retail market share by value in 2020, respectively, as set out in the OC&C report.

The Group operates with an aspiration to improve the well-being of people and the planet, and create sustainable solutions for food security. These values are reflected in its product innovations and various aspects of its operations that create value to society and contribute to sustainable development. For example, to promote well-being, the Group made an unprecedented move to offer noodles with no artificial preservatives added in *Lucky Me!* wet pouch and cups. It also made an investment on the development and implementation of the first high-speed airflow technology in one of its *Lucky Me!* product lines to reduce the palm oil content. In 2015, MNC acquired Quorn Foods, which operates the Meat Alternative Business with sustainability at its heart. In 2019, MNC also invested in NAMZ Pte. Ltd., a food science company in Singapore that dedicates its work towards creating healthier planet and people. Other initiatives have been implemented by the Group to utilize resources efficiently, move towards zero-waste-to-nature operations and transit to low-carbon economy. In addition, the Group believes that its Meat Alternative Business represents a breakthrough innovation with the mycoprotein technology serving as a sustainable source of protein. According to a report by Carbon Trust (2018), the production of mycoprotein-based *Quorn Mince* results in only 7%, 11% and 8% of beef's carbon, land and water footprint, respectively. Similarly, the production of mycoprotein-based *Quorn Pieces* results in only 29%, 36% and 34% of chicken's carbon, land and water footprint, respectively.

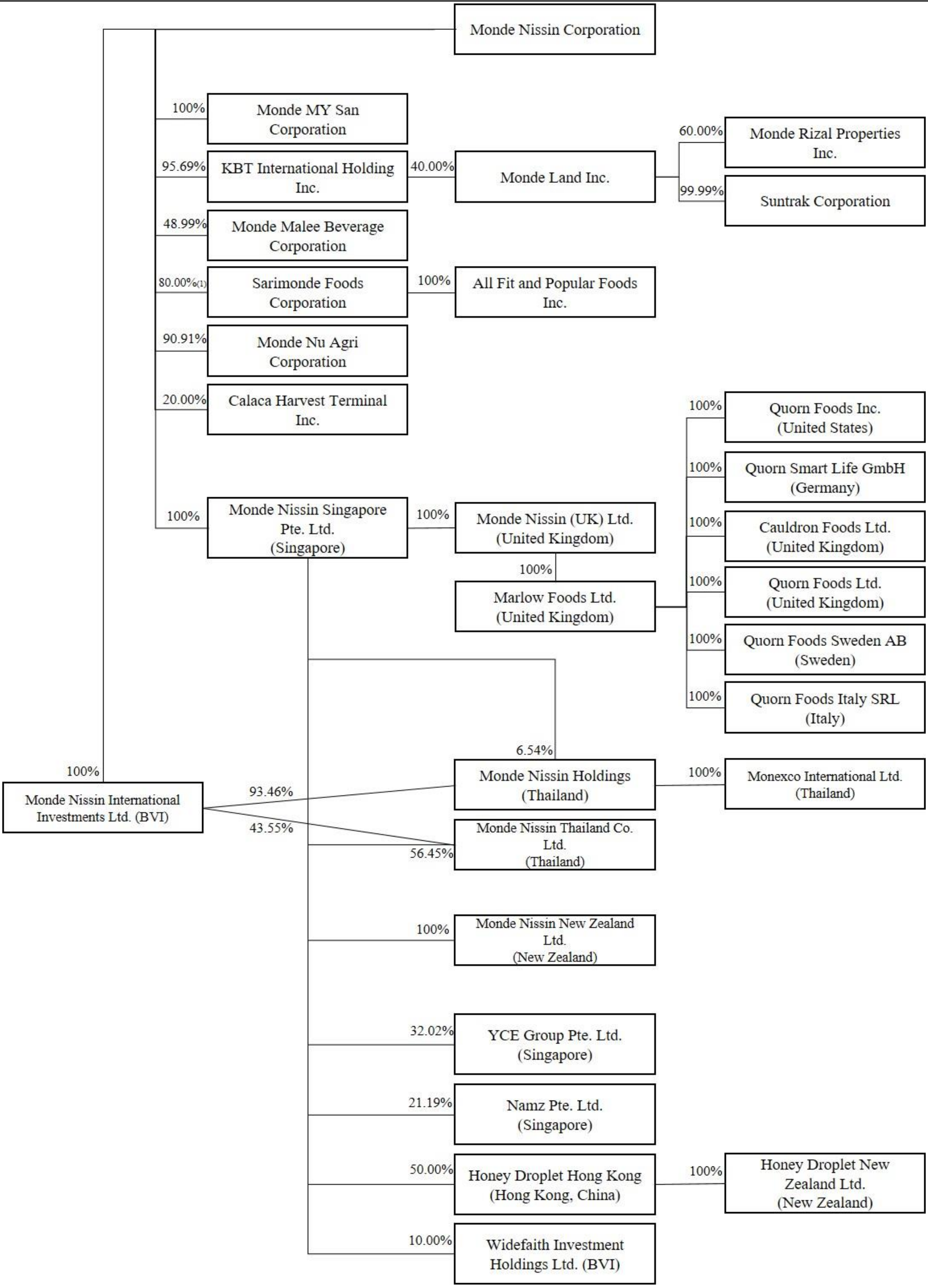
The Group operates the APAC BFB Business through MNC, its wholly-owned or majority-owned subsidiaries, joint ventures and established partnerships with other renowned FMCG players. The Group operates its Meat Alternative Business through Quorn Foods under the *Quorn* and *Cauldron* brands. For the year ended December 31, 2020, the APAC BFB Business generated ₱52,911 million of net sales compared to the Group's total net sales. Net sales of the APAC BFB Business mainly came from MNC's operation in the Philippines which accounted for 94.9%, 95.0% and 94.1% of the APAC BFB Business' total net sales for the years ended December 31, 2018, 2019 and 2020, respectively. The Meat Alternative Business generated net sales mainly from the U.K. and Europe. Net sales from the U.K. amounted to 73.9%, 75.0% and 76.2% of the Meat Alternative Business' total net sales

for the years ended December 31, 2018, 2019 and 2020, respectively. Net sales from Europe amounted to 14.4%, 15.7% and 11.9% of the Meat Alternative Business' total net sales for each of the same years, respectively.

For each of the years ended December 31, 2018, 2019 and 2020, the Group's net sales amounted to ₱63.4 billion, ₱65.5 billion and ₱67.9 billion (U.S.$1.4 billion), total comprehensive income amounted to ₱2.4 billion, ₱5.9 billion and ₱6.7 billion (U.S.$135.6 million) and consolidated EBITDA amounted to ₱11.4 billion, ₱14.2 billion and ₱15.6 billion (U.S.$313.4 million). For the same periods, the APAC BFB Business contributed 76.4%, 76.8% and 77.9%, respectively, to the Group's net sales while the Meat Alternative Business contributed 23.6%, 23.2% and 22.1% in each of the same years. For the years ended December 31, 2018, 2019 and 2020, the APAC BFB Business contributed 78.7%, 86.7% and 95.0%, respectively, to the Group's net income before income tax while the Meat Alternative Business contributed 21.3%, 13.3% and 5.0% in each of the same years. For the years ended December 31, 2018, 2019 and 2020, the APAC BFB Business contributed 83.4%, 85.7% and 85.3%, respectively, to the Group's EBITDA while the Meat Alternative Business contributed 16.6%, 14.3% and 14.7% in each of the same years.

GROUP STRUCTURE AND SUBSIDIARIES

The Group's operating and ownership structure as of the date of this Prospectus is set out in the chart below.



(1) *The remaining 20% interest is held by MNSG Holdings Pte. Ltd. under a Deed of Sale between the Company and MNSG Holdings Pte. Ltd. dated December 20, 2019. By virtue of Deeds of Sale of Shares dated January 11, 2021 and January 18, 2021, MNC became the beneficial owner of additional 8,125,975 and 5,518,337 common shares, respectively, representing 55% of the total*

issued and outstanding common shares of Sarimonde Foods Corporation. Issuance of the Certificate Authorizing Registration from the Philippine Bureau of Internal Revenue is pending for the registration of the transfer of the shares.

RECENT DEVELOPMENTS

The following discussion is based, among others, on the Company's draft management financial information available as of the date of this Prospectus, which is still incomplete and subject to change, and has not been audited or reviewed. Prospective investors are cautioned to read the following discussion together with the other information in this prospectus including, among others, the sections "Forward-Looking Statements" on page x, "Risk Factors" on page 51 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 140.

With respect to the Group's performance in the first quarter of 2021, the Company expects consolidated revenues to decrease compared to the same period last year, when economic activity had yet to be fully impacted by the COVID-19 pandemic and pandemic-related measures. Revenues from the Group's APAC BFB Business for the first quarter of 2021 are expected to be slightly lower compared to the same period last year due to slightly lower sales volumes resulting from a general decline in consumer purchasing power. The Company expects a moderate decline in revenues from the Group's Meat Alternative Business reflecting a modest increase in retail sales being more than offset by lower sales to foodservice industry customers as a result of continued pandemic-related measures. On a consolidated basis, gross profit for the first quarter of 2021 is expected to marginally decrease compared to the same period last year.

Sales, general and administrative expenses are trending higher for the first quarter of 2021 compared to the same period in 2020, primarily as a result of higher spending in the Meat Alternative segment for consumer marketing to increase brand awareness and additional investments to increase organizational capability, which are in line with the Company's growth strategy for this segment.

Currency movements are expected to result in foreign exchange losses for the first quarter of 2021 compared to gains in the first quarter of last year. In addition, the Company recognized a gain on the unwinding of a GBP-PHP cross currency swap in the first quarter of last year which will not recur this year.

As a result of these trends, net profit is expected to be lower in the first quarter of 2021 compared to the same period last year. However, the Group's longer term outlook remains substantially unchanged, although it continues to be subject to significant uncertainties caused by the COVID-19 pandemic and pandemic-related measures, the pace of vaccine rollout in its major markets as well as other factors and risks discussed elsewhere in this Prospectus.

COMPETITIVE STRENGTHS

The Group believes its principal competitive strengths include the following:

Leading positions across multiple branded high growth food and beverage segments, with a dominant position in the instant noodle market and number one position in the biscuit market in the Philippines

The Group believes it is well-positioned to further pursue growth opportunities presented by the resilient Philippine market that features favorable demographics and consumption patterns including a young population, increased domestic household consumption (resulting from, among others, an increase in disposable income) and urbanization. In addition, the favorable macroeconomic growth in the Philippines has been characterized by a growing gross domestic product and an increasing domestic income per capita. The Group operates and is strategically positioned, in the large and high growth product segments of instant noodles and biscuits in the Philippines. According to Nielsen, the instant noodles market reached a value of ₱34.9 billion in 2020. Increasing disposable income and food expenditure, growing urbanization, busy lifestyles and greater access to product categories resulted in an increased preference for affordable, quick and tasty meals and consumption per capita of instant noodles.

The Group has well-established leading market positions across multiple branded food and beverage segments in the Philippines. According to Nielsen, in 2020, the Group dominated in the Philippine instant noodles segment and had a market share of 68% in terms of retail sales value. In the biscuits segment where the Group had seven brands as of December 31, 2020, the Group ranked first overall, including in the crackers and cookies product groups and had a market share of 30.5% in terms of retail sales value in the Philippines in 2020 according to Nielsen.

Virtually all of the Group's consumer business is branded and comprises well-recognized and diversified household brands. For over 40 years, the Group has built and managed a market-leading portfolio of seven flagship brands as of December 31, 2020 including *Lucky Me!, SkyFlakes, Fita, M.Y. San Grahams, Nissin, Mama Sita's* and *Dutch Mill*. *Lucky Me!* has grown into an iconic brand consumed by 98% of Filipino households in 2020 and continues to be the most chosen consumer brand in terms of consumer reach points in the Philippines according to Kantar, the fifth consecutive year that *Lucky Me!* has secured the top position. The Group believes it has strong brand awareness and equity across its portfolio.

The table below sets out the Group's key brands under its product groups, associated types of products offered in the Philippine market and Philippine market share information in retail sales value for 2020:

Product Group and Key Brands	**Market Share in Retail Sales Value and Rank**
Instant Noodles	68% (1st)
Biscuits	30.5% (1st)
Crackers	56.9% (1st)
Sandwiches	14.4% (3rd)
Cookies	21.3% (1st)
Wafer	17.5% (2nd)
Others	
Oyster sauce	

		56% (1st)
Yogurt drinks		73.2% (1st)
Cultured milk		27% (2nd)

The Group's brands and products also received numerous awards and recognition for market performance including the Most Purchased Brand in total Philippines (first) and Best-Selling Brand in total Philippines (second) awards for the *Lucky Me!* brand at the 2020 Nielsen Sinag Awards. In addition, the Group believes its successful track record of introducing new products to meet evolving consumer tastes and enhance the overall customer experience significantly contributed to the increase of its market share and overall growth.

Quorn Foods is a leading market player with superior technology, high-quality products, and well-defined strategy to deliver long-term success in the highly attractive and fast-growing meat alternatives space

Operating in the highly attractive and fast-growing meat alternatives market expected to be worth up to U.S.$140 billion by 2029

Quorn Foods operates in the highly attractive meat alternatives market. As referenced in the OC&C industry report, in recent years, the meat alternatives market has seen significant consumer interest and growth. The global sales of meat alternatives was estimated to be worth U.S.$8 billion in 2020 and the global meat alternatives market is expected to grow up to U.S.$140 billion by 2029 according to Barclays estimates as explained in the OC&C industry report. In the U.K., the grocery retail category has grown by approximately 23% per annum since 2017 and is estimated to be worth U.S.$0.8 billion in 2020 (see "*Industry Overview — Industry Overview by OC&C* (*Figure 2*)" on page 125). In the U.S., the frozen and refrigerated multi-outlet retail category has grown by approximately 26% per annum since 2017 and is estimated to be worth U.S.$1.3 billion in 2020 (see "*Industry Overview — Industry Overview by OC&C* (*Figure 2*)" on page 125).

Leading market share and brand recognition in the U.K.

Quorn Foods is the market leader in the meat alternatives market in the U.K. with *Quorn* and *Cauldron* being the No.1 and No.3 brands with 28% and 5% retail market share by value in 2020, respectively, as set out in the OC&C industry report (at 11%, Linda McCartney was the No.2 brand in 2020 and is 2.5 times smaller than *Quorn* in terms of grocery retail market share by value). According to IRI, a data analytics and market research company, in 2020, *Quorn* was the number one grocery retail brand in the U.K. in the chilled and frozen meat alternatives categories. In March 2020, *Quorn* was also recognized as one of Britain's Biggest Brands by The Grocer, a U.K. based magazine that covers the whole FMCG sector. A study conducted in January 2021 by YouGov, a British international market research and data analytics firm, revealed that *Quorn* is widely recognized by consumers, with 94% of consumers recognizing *Quorn*, making it the brand with the highest prompted awareness in the category in the U.K. market.

The scale of Quorn Foods' brands has enabled it to enter into a multi-year global partnership with Liverpool Football Club to become the club's Official Sustainable Protein Partner, helping the club to contribute to greater food sustainability as part of its Reds Go Green initiative.

Quorn Foods has demonstrated its strength in the quick service restaurants (**QSR**) channel with successful partnerships with KFC, Greggs, Costa and Pizza Hut in the U.K. It has collaboratively worked with these partners

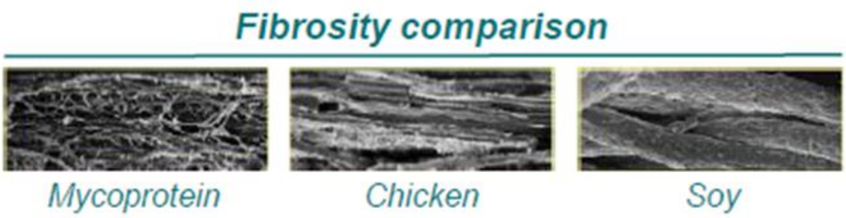
to develop products such as, among others, the *Vegan Sausage Roll* which is a top five food product for Greggs, the *Fillet Vegan Burger* for KFC, the *Vegan Smoky Ham & Cheeze Toastie* for Costa, and the *Vegan Nugget* for Pizza Hut.

Quorn Foods believes it also has a strong presence in foodservice, and its products are served in approximately 70% of all schools (approximately 22,000 out of 32,000 schools) in the U.K. and are available on the menu of 4,500 pubs/bars as of December 31, 2020 based on Quorn Foods' internal brand tracking.

Superior meat alternative ingredient

Mycoprotein, the primary ingredient in all *Quorn* brand products, is a highly sustainable, whole food, fermented protein technology which has well-documented health benefits and a closer texture to meat than other plant-based proteins.

- **Superior texture and great taste**: The building block of mycoprotein is *fusarium venenatum*, a member of the fungi family, comprised of tiny fibers (mycelium) that are naturally rich in intrinsic protein and dietary fiber. Quorn Foods believes the natural fibrosity of mycoprotein gives it the ability to replicate the texture that is closer to meat than any other plant-based protein. A recent article in a culinary magazine featured *Quorn*'s *Meatless* "Chicken" *Patties* and *Quorn*'s *Meatless Nuggets* as their test kitchen favorite and stated that the texture of *Quorn's Meatless* "Chicken" *Patties* is "appetizingly similar to chicken." An article from The Daily Meal (January 2020) highlights the launch of "Unreal Wings" which are made with *Quorn* and quotes "if we hadn't known ahead of time that these weren't made from real chicken, we probably wouldn't have been able to tell the difference."



According to an internal study prepared by Quorn Foods (the underlying test for which was conducted in January 2021 by an external party on behalf of Quorn Foods), *Quorn Crispy Nuggets* is the leading coated chicken-style product in the U.K. and holds a 75:25 preference over the next-best branded offering, in in-home product placement taste tests.

- **Better for you**: Mycoprotein is a whole food that delivers exceptional nutrition. Mycoprotein is high in fiber, low in saturated fat and contains no cholesterol[17], and contains all nine essential amino acids[18]. In clinical studies, mycoprotein has been shown to build muscle faster than milk protein[19], can lower cholesterol[20] and is a rich source of a unique fiber that can play an important role in maintaining gut health.[21] Diets rich in mycoprotein have been shown to promote satiety and to support regulation of blood glucose.[22] In addition, analysis by the World Economic Forum (2019) has shown that diets rich in mycoprotein could help lower projected population mortality. All of Quorn Foods' mycoprotein-based products are non-GMO and mycoprotein has low allergenicity of approximately 1 per 24.3 million servings, whereas up to 0.3% of adults are allergic to soy.[23]

[17] Denny et al., 2008.
[18] Edwards and Cummings, 2010.
[19] Monteyne et al., 2020(a) and Monteyne et al., 2020(b).
[20] Coelho et al., 2020 and Denny et al., 2008.
[21] Harris et at., 2019 and Colosimo et al., 2020.
[22] Bottin et al., 2016.
[23] Finnigan et al., 2019 and Katz et al., 2004.

Based on the Nutri-score, a nutrition label widely used in Europe for categorizing food products by nutritional value, Quorn Foods believes that, in the U.K., more than 70% of its *Quorn* products is graded at the highest score “A.” Similarly, in the U.S., Quorn Foods believes that more than 90% of its Quorn retail products is graded “A.” Quorn Foods classifies over 80% of its *Quorn* products sold in the U.K. as a source of fiber and protein.

- **Better for the planet**: According to a report by Carbon Trust (2018), the production of mycoprotein-based *Quorn Mince* results in only 7%, 11% and 8% of beef’s carbon, land and water footprint, respectively. Similarly, the production of mycoprotein-based *Quorn Pieces* results in only 29%, 36% and 34% of chicken’s carbon, land and water footprint, respectively.

Significant barrier to entry and first mover advantage from over 30 years of proprietary technology and accumulated know-how

- **A different way to produce protein**: The big idea behind *Quorn* is that there is a more efficient and environment-friendly way to produce protein, a protein source with inherent health benefits. See “— *Superior meat alternative ingredient — Better for you*” on page 184. Quorn Foods takes a naturally occurring fungus (*fusarium venenatum*) and uses the age-old process of fermenting. It is so efficient that just a few milligrams of pure culture can produce over 1,500 tons of mycoprotein.

- **Innovative air lift technology**: Quorn Foods uses an innovative air lift fermentation technology that is designed to produce a continuous-flow culture, using a process that ensures a consistent output[24] and yields a productivity approximately five-fold greater than what could be achieved by a series of separate batch fermentations[25]. Quorn Foods’ process involves the use of 50-meter tall fermenters, which have been designed to have no internal moving parts, which helps maintain the vessels’ sterility and is essential to delivering product texture. Within these fermenters, *fusarium venenatum* is grown under strictly defined conditions, with temperature, pH, nutrient concentration, dissolved oxygen and growth rate all maintained constant.[26]

Today, Quorn Foods is the largest provider of mycoprotein, and has adapted and developed this technology over the past 35 years through R&D and operational experience in a way that it believes would be extremely challenging for a new entrant to replicate.

[24] Pirt, 1975 (as cited in Finnigan et al., 2016).
[25] Sadler, 1988 (as cited in Finnigan et al., 2016).
[26] Trinci, 1991 (as cited in Finnigan et al., 2016).

A proven business model with broad innovative product offering

Quorn Foods has a proven track record of delivering profit.

Quorn Foods has developed a versatile and extensive portfolio offering of vegan and vegetarian products that are poultry, beef, pork and fish alternatives. Quorn Foods' products are suitable for different meal occasions and needs, such as breakfast, lunch, dinner and snacking. Examples of products that Quorn Foods sells are *Escalopes*, *Mince* and *Smoky Ham Free Slices*. As set out in the OC&C industry report, Quorn Foods has three times more products in the U.K. than the next nearest competition (see "*Industry Overview — Industry Overview by OC&C* (*Figure 14*)" on page 136). Globally Quorn Foods sells 100+ SKUs which it believes to be one of the widest and diverse product offerings in the meat alternatives market.

In addition to the U.K., Quorn Foods has market presence in the U.S., with over 150,000 points of distribution as of December 31, 2020 and a presence in major grocery retail outlets. It is also active in Europe, Southeast Asia, Australia and New Zealand as well as across various retail and foodservice channels.

Established record of innovation, successfully anticipating and catering for emerging consumer needs and preferences with their increasing concern for individual health and food security

The Group has an established record of introducing new products that are innovative and attentive to consumer preferences, and developing technology, processes and tools to further enhance the taste, health benefits and sustainability of its products.

Noodle products

The launch by the Group of *Lucky Me! Pancit Canton* in 1991 – the first dry stir-fried pouched noodles in the Philippine market – created a brand new category from nothing and worth over ₱10 billion in 2020. In the late 1990s, the Group joined forces with the Philippine Department of Health to help alleviate malnutrition by fortifying its noodles with essential vitamins and minerals. The Group was the first to offer noodles with no artificial preservatives added in the Philippines in its *Lucky Me!* wet pouch and cups products and the first to launch locally flavored variants such as *La Paz Batchoy* and *Bulalo* that captured the authentic tastes of classic Filipino favorites. The ability of the Group to localize products through its established knowledge and unique

understanding of Filipino consumers' tastes and preferences has enabled the Group to gain market leadership over competitors, even multinational companies.

The Group has pioneered a number of customer-centric innovations to its noodle products. The recent key transformations that the Group has introduced include packet upsize (from 60 to 80 grams in Luzon), change in noodles shape (from square to round) and width (flat and thicker in 2016, re-launch of thinner noodles for *Lucky Me! Pancit Canton Kalamansi* in 2020) and flavor improvement and enhancement (for instance, *Lucky Me! Beef na Beef*, *Lucky Me! Pancit Canton Kalamansi* and *Lucky Me! Pancit Canton Extra Hot Chili*) to address rapidly changing consumer preferences and demand. Further, the Company employed new technology to improve noodle texture and produce better quality noodle products. These product innovations enabled the Group to solidify its dominant market leadership and maintain pricing power.

The Group also implemented packaging improvements such as the transition of the *Lucky Me! Go Cup* container from a composite material made of paper and plastic to a polypropylene cup with paper label to make the cup noodle easier to hold and to facilitate recycling (by easily separating the label from the cup). In addition, in late 2020, the Group installed the first high-speed airflow technology in one noodle line to substantially reduce the oil content while maintaining taste and consumer enjoyment.

The Group is quickly able to bring new products to the market to capitalize on any new consumer trends, thereby keeping its brands always fresh and relevant. The Group released new formats such as the *Lucky Me! Pancit Canton Go Cup* to provide consumers with a tasty and convenient option that can be enjoyed on the go and new and exciting flavors such as *Spicy La Paz Batchoy*, *Spicy Bulalo* and *Hot Cheese Ramyun* to provide consumers with a product upgrade using on-trend flavors. The Group also relaunched its instant pasta line with two variants, *Lucky Me! Baked Mac Style* and *Mac & Cheese* for the mass premium segment to offer consumers new, easy meal options in addition to the Group's instant noodle products.

Biscuits, baked goods and fresh bread products

The Group has a track record of introducing innovative, new uses for its existing products thereby significantly growing demand for the product and increasing the Group's sales. For example, *M.Y. San Grahams*, an ingredient in homemade desserts, is now also used by small businesses as a key ingredient because of its versatility, resulting in new cake and other dessert products. This also broadened the "mompreneur" segment who uses *M.Y. San Grahams* in high-quality and delicious desserts for different occasions and transforms their customized creations into a dessert business.

The Group also has a unique understanding of consumers' expectations and preferences in relation to its other baked goods and fresh bread products.

The traditional *mamon* (Filipino-style sponge cake) sold by leading bakeshops in 2011 were relatively expensive (selling above ₱20 per piece) and had a very short shelf life, making pantry loading impossible. Understanding these consumer pain points, in 2011, the Group launched *Monde Mamon* which has a five-month shelf life at ambient storage and was less than half of the competitor price in 2011 (and currently 40% cheaper). These superior product features were achieved through the use of technology to create a very clean manufacturing environment and carefully selected ingredients that allowed *Monde Mamon* to be shelf stable for months. The Group has also introduced new products such as the *Monde Cheese Bar*; new sizes such as *Monde Mini Mamon*, *Nissin Butter Coconut* 25 gram-pack and *Nissin King Size Wafer*; and new flavors such as *Nissin Wafer Double Choco* and *Nissin Bread Stix Garlic Parmesan*, to provide consumers with a selection of new options in terms of product size, flavor and type, expand its portfolio of baked goods and make its products more accessible in terms of price and distribution.

In the fresh bread category, the Group recently launched *Monde Fluffy Bread* and *Monde Milk Bread*. *Monde Fluffy* and *Monde Milk Bread* were developed by the Group's New Product Development team in only three to four months and will be made using largely high-quality flour from the Group's own flour mill. The Group

believes this reflects the agility of its business and its ability to optimize synergies thereby improving cost efficiency.

In-house research and development team

The Group has a dedicated research and product development team in the Philippines. Through collaboration and innovation, the Group works closely with other innovation companies including NAMZ Pte. Ltd., a food science company in Singapore where the Company is a minority shareholder with a 21.2% equity interest as of December 31, 2020.

In the instant noodles category, the Group was the first in the Philippines to launch instant noodles in no-cook bowls in local flavors such as *La Paz Batchoy* and *Bulalo* and constantly develops new flavors such as the Asian line, exemplifying its deep understanding of consumers' love for flavors. In the baked goods category, the Group launched the first packaged sponge cake in the Philippine market and the first premium wafer product filled with chocolate and rice crispies. See "*Business — Research and Development*" on page 210 for a detailed discussion on the Group's product innovations.

Production process and facilities

In 2006, the Group established an automated and streamlined seasoning plant in Thailand. The relocation of the Group's seasoning production from the Philippines to Thailand provided the Group access to a greater variety of spices, improved the quality of its production and reduced costs.

As of December 31, 2020, the Group had two noodle lines at its manufacturing facility in Thailand. The Group intends to install multiple high-speed airflow technology lines for its instant noodle product in Thailand in the next three years. This will be the second high-speed airflow technology noodle line of the Group with the first one located in the Philippines. The Group expects the low cost of power in Thailand to result in net saving from lower oil requirements and increased power usage of the high-speed airflow technology. The Group believes the high-speed airflow technology will enable it to offer tasty, low oil content noodles to consumers who are averse to palm oil.

ESG initiatives

Sustainability, as a core value of the Group, is reflected in its innovations.

In 2008, the Group replaced synthetic antioxidants with tocopherol in its frying oil for instant noodles. Since 2010, the Group has been using green tea extract as a natural antioxidant in frying oil for its instant noodles products. This sets the Group apart from its peers that use artificial or synthetic antioxidants such as butylated hydroxytoluene, butylated hydroxyanisole or tertiary butylhydroquinone which are lower in cost but are believed to be less healthy.

Each facility of the Group in the Philippines has a heat recovery system which recycles steam condensate generated during production. As part of its ESG initiatives, the Group installed solar panels at its main plant site. The Santa Rosa facility has solar panels that, at peak capacity, are able to provide up to 1.3 megawatt of solar power.

In 2019, the Group removed the interior plastic tray of *Monde Mamon* which, similar to other *Monde* baked goods, is packaged to seal in its delicious-tasting and freshly baked goodness. This initiative resulted in approximately 20% reduction in primary packaging. Prior to the onset of the COVID-19 pandemic, the Group prepared to launch a redesigned multi-pack noodle SKU to eliminate individual wrappers, which stood to reduce plastic packaging for these items by approximately 60%. The Group intends to launch this item in the future.

In 2019 and 2020, Monde Nissin (Thailand) Co. Ltd. (**MNTH**) redesigned the packaging of biscuit products to use less plastic, leading to improved sustainability and significant cost reduction. In addition, the Group has other

ongoing initiatives in Thailand to further reduce plastic packaging and is transitioning to plastic packaging that is 100% recyclable.

For a detailed discussion of the Group's sustainability roadmap, see "*Business — APAC BFB Business — Sustainability*" on page 226 and "*Business — Meat Alternative Business – Quorn Foods — Sustainability*" on page 249.

Quorn

The Group's single largest commitment to healthier food and food security is its ₱41.4 billion (GBP582.2 million) investment in 2015 to acquire 100% of Marlow Foods Limited (**Marlow Foods**) which owns *Quorn*. The investment was made by the Group well ahead of the increased attention and public consciousness regarding meat alternatives. The Group believes traditional protein production is not sustainable and that it could help address food security and human health by increasing the production of *Quorn* to reach a wider consumer base.

Well-invested facilities and agile and innovative supply network to capture growing demand

The APAC BFB Group has modern, strategically located and integrated facilities. As of December 31, 2020, the APAC BFB Group had an extensive network of ten manufacturing sites in the Philippines (including a new manufacturing facility under construction in Malvar, Batangas) and Thailand. Five of the eight manufacturing sites in the Philippines also operate as on-site distribution centers.

The Group believes its consistent innovation in manufacturing enabled it to improve operating efficiencies and generate cost savings. For example, at its flagship Santa Rosa facility, a modern flour production system employing a computerized mixing and blending system pneumatically conveys flour directly to each plant. It also has two units of high capacity ASRS with over 26,000 pallet positions that the Group believes is the largest in the country. Over 50% of the production volume are received without human intervention from palletizer machines through rail-guided vehicles and into single and double-deep stacking locations. The Group believes such innovations enhanced its productivity, increased storage capacity and throughput, and improved responsiveness to its customers.

The Group has a track record in the Philippines of expanding its business by leveraging its operational strength and experience as well as periodically transforming its end-to-end supply network to quickly adapt to, and anticipate, the needs of its customers. Consequently, MNC was able to grow its net sales, lower costs and improve its cash position all at the same time. The table below sets out MNC's customer service level (**CSL**, MNC's internal measure of fill rate to customers), transportation and warehousing cost (**T&W**) and finished goods inventory days (**FG Inventory**, fiscal ending finished goods inventory divided by COGS/day where COGS/day is total COGS for the year divided by 365) for each of the periods indicated.

		2017 (Base)	**2018**	**2019**	**2020**
Sales Growth	Customer Service Level	80+%	90+%	90+%	80+%
Cost	Transportation and Warehousing	5.8%	5.5%	5.1%	4.8%
Cash	Finished Goods Inventory Days	15.1	14.3	13.9	11.6

In 2018, 2019 and 2020, CSL, T&W and FG Inventory all improved (other than CSL in 2020 which was affected by the COVID-19 pandemic), reflecting strong structural gains. Through innovative supply solutions and constant alignment with key stakeholders, MNC was able to expand its reach, implement the best routes/supply plans and maintain an appropriate inventory level ensuring product freshness.

For instance, in 2018, MNC implemented a win-win solution with its transport providers and select accounts via a mechanism that optimizes the number of trips per month per transport provider and reconstructing the delivery

window of some customers which led to a flatter daily demand, reducing peaks and valleys. Internally, target inventory levels were synchronized with manufacturing capabilities to balance cost with agility.

In 2019, MNC streamlined its processes allowing for faster standardization and reapplication, which accelerated gains. Non-performing SKUs and product lines were eliminated while paving the way for existing SKUs to grow and for new launches to have better chances of success. Certain warehouses were closed and new ones were opened that offer better responsiveness at a total lower cost in line with evolving network redesign driven by demand shifts.

In addition to its process innovations in the Philippines, the APAC BFB Group established an automated and streamlined seasoning plant in Thailand which offers comparatively lower costs than if seasonings were to be supplied in the Philippines. The ongoing capacity expansion of the Group, together with its existing scalable infrastructure, provide significant competitive advantages for the Group as it captures the growth of demand in the food and beverage categories where it operates.

MNC employs best-in-class tools, processes and standards pertaining to food safety and quality assurance at its manufacturing facilities. The manufacturing plants in Santa Rosa, Cebu and Davao are FSSC 22000 (GFSI) and ISO22000:2005 (Food Safety Management Systems) certified. The remaining manufacturing plants of MNC in the Philippines are FSSC 22000 (Food Safety) certified.

At the early onset of the COVID-19 pandemic, the Group faced the difficult task of ensuring the health and welfare of its employees while ensuring food supply especially noodles pouches and crackers, which are considered staples during tough times. The Group adapted quickly and both objectives were achieved without compromises.

Recognizing the strength of its brands and a deep understanding of consumer behavior of reverting back to core, MNC pivoted to producing mainly the core SKUs of *Instant Mami*, *Pancit Canton*, *SkyFlakes* and *Fita* which enabled mass production by its suppliers and its plants, and allowed for by pallet/half-pallets shipments to its customers. This decision paved the way for supply assurance from suppliers to customers, while substantially reducing the people on-site via work-from-home and paid leaves for vulnerable employees and those opting to stay with their families. As a result, MNC minimized disruption and increased the production of instant noodle pouches by over 20% during the lockdown period from March to June 2020. The Group learned continually and quickly by benchmarking externally and intensively allowing for the resumption of the rest of the categories sooner.

The Group believes its multiple plants enabled its operations to remain resilient and to have scaled operations in multiple locations during the COVID-19 pandemic. In addition, the ASRS of the Group allowed it to operate safely and maintain sales growth. These were complemented by the ability of the Group to operate efficiently despite having just approximately 50% of its manpower at the Group's facilities.

Extensive, comprehensive and sophisticated distribution network

The Group believes its comprehensive and sophisticated distribution network is crucial to the successful market penetration of its products. In addition, the Group's distributor partners provide a 15-day credit to its reseller customers (supermarkets, groceries and wholesalers) who in turn extend credit to its *sari-sari* store (family-run convenience stores in neighborhoods and villages in the Philippines) customers. The provision by the Group of attractive payment options to its distributors allows distributors to, in turn, provide credit to its reseller customers while interventional programs encourage the Group's *sari-sari* store partners to purchase the Group's products when they are at a leading retailer for onward sale to other *sari-sari* stores. Through the interplay of the Group's different distribution channels, provision of credit to distributors' reseller customers and interventional programs, the Group is able to expand its reach and increase the market penetration of its products. In 2020, the weighted distribution of the Group's products in the instant noodles category was 99% according to Nielsen.

As of December 31, 2020, the Group had long-standing relationships with leading retailers in the Philippines with 18 national and 29 local key accounts and 39 chain stores. As of the same period, the Group also worked with

over 30 distributors in 48 provinces and districts. With this network, *Lucky Me!* products are distributed to more than 200,000 outlets, reaching more than one million *sari-sari* stores across the Philippines. In addition, the Group sells its products through its community distribution network comprising alternative distribution platforms catering to end consumers, including dealers that recruit, train and develop small entrepreneurs, as well as brand ambassadors and brand experts that distribute the Group's products to households and end consumers. The Group employs a cost-plus incentive scheme for its distributors in the traditional trade channel. The Group uses an activity-based convention to determine the operating and capital expenditure budgets corresponding to its distributors. The appropriate discount to be given by the Group to the distributors is determined by how the distributors actually performed as against their respective budgets. Such discount-incentive scheme ensures that the Group's distributors focus on their key role of driving numeric distribution into *sari-sari* stores even in underdeveloped and unprofitable areas. The Group believes this unique incentive scheme demonstrates innovation in its business processes, reflects its business continuity plans and shows the win-win relationship between the Group and its distributors.

By utilizing its extensive distribution network and leveraging its relationships with various retailers and distributors, the Group is able to efficiently and expeditiously supply and distribute its products to its customers as well as access and compete in new markets.

The Group's financial track record shows it has been able to maintain healthy margins with strong scale leverage and operational excellence. To fuel its growth ambitions and support or improve the margins, the Group plans to further accelerate focus in a few areas of cost excellence in the next one to two years, such as commodity price risk management, design-to-value based product / packaging engineering and return on investment-based effectiveness for discretionary spends. The Group aims to execute this in collaboration with partners and suppliers and with the help of digital productivity tools.

Visionary, ambitious and experienced management

The Group has an ambitious and experienced senior management team with many years of local and international experience in the FMCG industry and in other fields. The management team of the Group has successfully managed the Group through various business cycles, with an extensive track record of successfully executing business plans and achieving results, as evidenced by the overall growth, strategic expansion and strong business operations of the Group over the years. In addition, the management team of the Group has been at the forefront of sustainability in its products, value chain and innovations even before the sustainability trend gained steam. The Group also benefits from its management team's proprietary knowledge of consumers' tastes and preferences and track record of operational excellence that the Group believes is necessary to successfully lead the development, growth and expansion of its businesses.

Over the course of its operating history, the Group's management has consistently taken an active stance to build a resilient organization and high-performance culture to deliver stakeholder value by employing an innovative and results-oriented team with a commitment to excellence and sustainability. The visionary leadership of the management team of the Group has helped attract and retain talent, deepen employee engagement and promote the Group's core values of collaboration with empathy, continuous learning from growth and care in action. The Group believes the various awards received by its brands are a testament to the professionalism of its management and strengths of its teams.

The Group believes the dedication of its management team brings about a strong commitment to develop and offer innovative products that are sustainable and have a positive impact on people and the planet.

STRATEGIES

The Group aspires to improve the well-being of people and the planet, and create sustainable solutions for food security.

We are a food company. We understand that we are living in a time where the food we produce and the food that consumers consume have significant impacts not only to our health but also to the health of our environment.

We understand the way we produce and the way consumers consume food will have to change. This is amplified by the estimate of the United Nations that the world population will grow from 7.7 billion in 2019 to become almost 9.7 billion in 2050. It will be impossible to feed the population by then if we do not change the way we produce and consume food.

We believe that in front of these challenges, there will be no other ways but to innovate.

Innovation has been in the DNA of the Company. We have been doing this for decades. This involves business models and almost all business processes.

Today, our strategy is even more profound: through continuing intensive consumer research we should be able to reliably target their emerging needs, and so endeavor to best deploy our investment in technology.

The acquisition of Marlow Foods in 2015 and the introduction of new healthier noodles are the most recent demonstrations of how we live up to our commitments.

While change is inevitable, we have been executing ahead of our time.

This is what sets the Company apart.

The Group's principal strategies for achieving these objectives are set out below:

Drive category growth and market share in branded consumer segments through continuing innovation and focusing on taste, eating experience and well-being of the Group's consumers

Noodles (Philippines)

The Group intends to combine its intimate understanding of the Philippine noodles market with established research and development capabilities to support new product offerings that will suit the changing needs and preferences of and be enjoyed by its consumers. The Group aims to drive category growth through innovation anchored on themes of health and sustainability, premiumization through the introduction of new flavors and formats as product upgrades, and convenience. Given the relatively low per capita consumption of noodles in the Philippines compared to other Asian markets, the Group believes there is room for growth. The Group intends to grow its core products, namely, *Instant Mami* and *Pancit Canton* by increasing consumption moments (different new uses for existing products), improving market penetration in key segments and building the brand to keep it meaningful, differentiated and salient among consumers.

The Group aims to accelerate the growth of the Philippine noodles category. As a fundamental prerequisite to this and consistent with the Group's values, the Group intends to reduce the oil content of its noodle products while maintaining flavor and texture. The Group plans to reduce the oil content of its noodle products for health and sustainability reasons. The Group expects to achieve this objective through the increased adoption of the high-speed airflow technology in its noodles business. However, the Group is also unable to determine at this stage whether cost savings from lower oil requirement will be offset by the higher power usage of the high-speed airflow technology given the high price of power in the Philippines. The Group intends to further accelerate category growth through new product developments, additional flavor offerings resulting from improved flexibility in flavor changes incidental to the high-speed airflow technology, increased promotion and wider distribution. In terms of increasing speed of delivery of new products to the market, the Group will, among others, employ artificial intelligence systems to interpret and predict flavor preferences of consumer groups.

Biscuits and other baked goods (Philippines)

The Group has a wide portfolio of biscuit and bakery brands in the Philippines. The Group believes that, while it is number one in the biscuits category in the Philippines in 2020, there is still a lot of room to grow especially in the wafer and sandwich segments, as the Group continues to strengthen its foothold in the cracker segment.

In 2020, the category experienced reduced consumption due to mobility restrictions associated with the COVID-19 pandemic. To achieve market share gains and maintain its market-leading positions, the Group will continue to innovate its products and value chain as well as expand its distribution coverage. The Group aims to upgrade and develop its popular *Nissin Wafer* lines and sandwich lines to keep pace with rising consumer expectations. The Group also intends to integrate the overall operations of Monde M.Y. San Corporation (**MMYSC**), the manufacturer of *SkyFlakes*, *Fita* and *M.Y. San Grahams*, with its own operations in terms of procurement, overheads, shared services and export (sales and marketing). In addition, the Group plans to launch its own *Monde*-branded wrapped bread loaf produced using Japanese technology.

The Group has recently entered the bread business through the joint venture and subsequent consolidation of Sarimonde Foods Corporation. The Group considers there to be enormous potential in this sector. Based on the Group's assessment of total flour imports and uses in the Philippines, the Group believes this category, through formal and larger informal channels, to be even greater than the instant noodles category. In the formal wrapped loaves category, the Group has recently launched *Monde Fluffy Bread* and *Monde Milk Bread*, and will launch *Monde Wheat Bread* in March 2021. Product formulation benefits from the Group's established wheat and flour milling expertise and the Group believes its new offering represents better quality and price competitiveness than the products it replaces.

The Group plans to realize its growth aspiration through (i) rapid geographical expansion across key regions in the Philippines by establishing new distributed bread manufacturing facilities, (ii) offering a holistic and superior products assortment through smart innovation and (iii) securing dominant presence through different routes-to-markets, with a particular focus on the unpackaged and unorganized market. In this regard, the Group believes its community distributors can help build habits among target consumers to buy the Group's products on a regular basis and so serve to help cement a large customer base.

The Group believes its strong distribution ecosystem and strong equity in bakery quality will be instrumental in realizing its ambition in the bread business. With these strategies in place, the Group believes it is well poised to quickly scale up to gain a sizeable market share in the bread business and realize healthy margins given its scale leverage along the value chain.

Adjacent categories (Philippines)

As an overall part of the Group's customer (retail) and consumer offering, the Group entered into marketing, sales, and distribution agreements with various other brand owners that have products that complement the Group's core brands. For instance, in 2014, the Group entered into a 20-year Distribution, Marketing and Sales Agreement with Sandpiper Spices and Condiments Corp. under which the Group became the exclusive distributor of *Mama Sita's* products in the Philippines. In 2016 and 2006, the Group entered into distribution agreements with Dutch Mill Co. Ltd. and Dairy Plus Co. Ltd., respectively, under which the Group became the exclusive distributor of *Dutch Mill* cultured milk and yogurt products, respectively, in the Philippines. In 2010, the Group expanded its partnership with Dutch Mill Co. Ltd. to include marketing by the Group of *Dutch Mill* products. The Group is currently reviewing its renewal agreements with Dutch Mill Co. Ltd. and Dairy Plus Co. Ltd. for another five years beginning on March 1, 2021. Under the agreements with Dutch Mill Co. Ltd. and Dairy Plus Co. Ltd., the Group has a functional profile that is bigger than a typical distributor, enabling the Group to have an entrepreneurial role in distributing the products and creating the markets. As a result, the Group believes the return and distribution margins from its distribution agreements are higher than under customary distribution agreements. The Group intends to continue to develop this strategy where product and values are compatible with its core offering.

According to Nielsen, in 2020, *Mama Sita's* held the number one position in terms of retail sales value in the oyster sauce category. While it still has low market penetration, the Group believes these categories have significant growth potential. The pricing strategy of the Group for *Mama Sita's* oyster sauce which commenced in 2018 has resulted in doubling of sales volume within two years, growth in market share and growth in category and brand penetration, making oyster sauce among the fastest-growing culinary aids for the past two years. This also made the *Mama Sita's* brand well-positioned to benefit from increased home cooking. The Group intends to increase penetration in the oyster sauce as well as marinade, viand and meal sauces categories through market education of *Mama Sita's*' unique value proposition, wider distribution and increased store visibility.

In 2020, *Dutch Mill Delight* was the second biggest player in the cultured milk category according to Nielsen. *Dutch Mill* has gained significant market share in less than five years since 2016 and its revenues have grown more than five times since its launch in 2016. The Group intends to increase market penetration in the cultured milk category through market education of *Dutch Mill Delight*'s healthy proposition, expansion of distribution touchpoints and in-store promotions.

According to Nielsen, in 2020, *Dutch Mill* remained the dominant market leader in terms of volume and retail sales value in the yogurt drink category despite the aggressive entry of low-price players in 2019 and 2020. The Group believes there are significant opportunities in the yogurt drink category in terms of market penetration. The Group intends to consistently stay well ahead of competition and further its category expansion efforts to promote growth through innovations in product portfolio, brand equity and distribution as well as market education of *Dutch Mill*'s value proposition.

Thailand; Export for biscuits and noodles

The Group believes product innovations, mainstream focus, geographic expansion, sharper in-market execution and lean operations allowed its domestic and export businesses in Thailand to increase revenue, gain market share and expand operating margins even during the COVID-19 pandemic. In Thailand, the Group intends to expand its business by further enhancing its digital marketing base, and through the commissioning of a high-speed airflow technology noodle line in Chonburi in 2021 which the Group expects to be operational in 2022. In the biscuits category, the Group plans to develop and promote Healthier Choice-certified products without a compromise in taste. Healthier Choice is an independent nutritional certification indicating that a food or beverage product meets the nutrition requirement set under its specific criterion.

Outside the Philippines and Thailand, the Group's export presence (excluding *Quorn*) has been mainly aimed at providing overseas Filipino workers with a taste of home. Moving forward, the Group believes its low oil content noodles offer the potential for production and marketing in countries with higher consumer awareness of the health and sustainability benefits of lower oil content. Through its improved bakery offerings, Healthier Choice-certified products, and instant noodles, the Group believes it is ready to compete in the wider Asian region. The Group intends to achieve mainstream expansion in Asia, the Middle East and North America through new distribution partnerships. With continued market development, the Group believes that in due course there can be a degree of synergy in country operations across its full product offering range from bakery to instant noodles to *Quorn*.

Revenue Growth Management

As the Group's product assortment and presence has expanded over the years, various targeted interventions such as flagship stores across modern and general trade have helped to continuously develop its main categories and often to gain market share. To further leverage its existing footprint and drive cross-category growth, structured revenue growth management will become an area of focus. This will be through clear channel segmentation, reconsideration of price and pack balancing, channel pack differentiation, trade terms optimization and return on investment-based promotional effectiveness.

Augment the end-to-end supply network capabilities of the Group towards a responsive, adaptive, and predictive ecosystem supporting growth amidst increased demand volatility and consumer sophistication

MNC intends to undertake a holistic redesign of its manufacturing and distribution network aimed at increasing total system capacity while (i) ensuring business continuity and risk mitigation through the strategic location of its facilities, (ii) increasing agility through node synchronization to minimize inventories at each node, (iii) driving structural cost improvements, and (iv) benefiting the environment through waste elimination and the use of more eco-friendly products such as liquefied petroleum gas (**LPG**).

Rapidly evolving customer preferences result in demand volatility. To address this, MNC plans to pilot a new highly responsive work system which will expand the capabilities and skills of its employees and provide flexibility in the Group's operations to cater for increased demand volatility and the trend towards niche product categories.

In addition, MNC intends to partner with innovation companies to develop predictive modeling on demand locations given the inherent higher cost-to-serve nature of an archipelago and the faster internal migration and urbanization happening in the country.

Although the Philippines has been relatively slow to embrace e-commerce, the COVID-19 pandemic has accelerated the pace of digital adoption. The Group understands that consumers are now becoming omni-channel shoppers. Loyalty to only one type of channel is eroding and it is important for the Group to understand the difference in behavior regarding basket content both online and offline. The role of e-commerce in the Group is to close the loop of consumer awareness, customer engagement, and straight to purchase. The Group will continue to collaborate with national and regional online partners and consumer communities. The Group will be increasingly engaging with modern trade and distribution partners for direct e-commerce with them so as to expand the Group's currently nascent volume. The Group's engagement with consumers will be through digital communities but the Group will not be seeking direct business-to-consumer sales. The Group will, however, communicate brand and new product launches as directly as possible just as the Group will seek their feedback. The Group's digital collaboration will be to bring to its established partners relevant consumer data to help the Group better jointly serve its ultimate consumers.

Strategies of Quorn Foods

Quorn Foods operates in an attractive market with high potential for growth that is expected to grow up to U.S.$ 140 billion by 2029 according to Barclays as set out in the OC&C industry report.

In 2020, Quorn Foods defined its purpose – *To Provide Healthy Food for People and the Planet* – and its aspiration – *8 Billion Servings, Net Positive by 2030*, that represents the equivalent of one serving of great-tasting food for every person in the world by 2030. Quorn Foods' interpretation of "net positive" is to put more into the world than it takes out. Its main goal is to use the business as a force to support healthy societies, have a positive impact on its employees, and protect and restore the natural resources around itself.

To deliver this purpose, Quorn Foods has initiated a business transformation in 2020 to lay the foundation for the next phase of growth across key markets.

Initiating business transformation to lay the foundation for the next phase of growth

The key initiatives consist of the following:

- ***Strengthening the leadership team***: In 2020, Marco Bertacca took up his role as Quorn Foods' CEO. Mr. Bertacca brought to Quorn Foods 25 years' experience with consumer foods companies, including management, business development and supply chain roles with Royal FrieslandCampina N.V. in Asia and Europe. Quorn Foods further strengthened its senior management team and now has a strong balance of functional and industry experience, combined with a diverse global background.

- ***Increasing manufacturing capacity and enhancing manufacturing capabilities***: Quorn Foods successfully increased forming capacity and, in addition, constructed a fourth fermenter providing an additional 15,000-metric ton of fermentation capacity currently undergoing commissioning and scheduled to be operational in mid-2021, with full capacity expected to be available by April 2022. In 2020, Quorn Foods dedicated separate Director roles to Director of Manufacturing and Engineering and Supply Chain Director. Additional resources have been added to strengthen the areas of factory continuous improvement and capital project management.

- ***Accelerating R&D and New Product Development (NPD)***: In 2020, Quorn Foods further enhanced its R&D and NPD capabilities by bringing in a new R&D Director, Tim Ingmire, who has over 25 years' experience in leading R&D on global brands across food and beverage and personal care, and a professor from the University of Birmingham School of Chemical Engineering. To drive the speed of great tasting innovations, the NPD department has now been reorganized with 40% new people, into three workstreams: flavor development, product development and culinary innovation. In addition, the Consumer and Sensory Science capabilities are being strengthened to deepen the understanding of the consumers' needs. The first results can be seen from the *Makes Amazing* launch in retail (a range of tasty ingredients such as *Peri Peri Strips*, *Turkish Style Kebab*) and a buttermilk "chicken" burger for foodservice.

  Today, Quorn Foods engages with more than 20 PhDs who are critical to further improving Quorn's mycoprotein offering and scientific research looking into strain development, documenting health benefits, improving operational efficiencies and enhancing product performance.

- ***Energizing the Brand***: Quorn Foods prepared a new brand campaign, with its recently appointed advertising agent, Adam & Eve, targeted towards flexitarians. It also launched a packaging refresh, supported by its packaging agency, Bulletproof, to improve in-store visibility. Additionally, Quorn Foods entered into a global multi-year partnership with Liverpool Football Club to become the club's Official Sustainable Protein Partner, helping the club to contribute to greater food sustainability as part of its Reds Go Green initiative, which also gives Quorn Foods access to the Boston Red Sox Major League Baseball team.

- ***Recovering key retail customer relationships***: Following a challenging year (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting the Group's Results of Operations — Capacity and Utilization of the Group's Facilities*" on page 146), Quorn Foods has re-established service levels and is improving relationships with key customers.

Capturing the next phase of growth across key markets

Quorn Foods will continue to be focused on capturing the full market potential of its domestic markets, while also accelerating channel and geographical expansion. Quorn Foods believes this can be achieved by:

- ***Maintaining its category leadership in the U.K. in retail and strong position in foodservice***: Quorn Foods owns the *Quorn* and *Cauldron* brands, the No.1 and No.3 brands, respectively, in the meat alternatives category.

  For the *Quorn* brand, Quorn Foods will focus on bringing product innovations of great-tasting food to the consumer, for example with exciting future launches such as *Roarsomes* (dinosaur-shaped "chicken" for children) and *Vegan Sausage*. The core area for future growth will be among flexitarians. With its new through the line campaign – *Helping the Planet One Bite at a Time,* Quorn Foods believes it is well-positioned to reach this group. Although it aims to reach a broad range of consumers, it also aims to tailor its approach for different consumer groups. As an example, Quorn Foods aims to capture a male audience of all ages through sports, such as through the multi-year partnership with Liverpool Football Club. Additionally, Quorn Foods believes that targeted marketing messages on the benefits of

mycoprotein will capture the attention of flexitarians who are health conscious. To this end, Quorn Foods aims to use health-centered channels such as gyms or influencers with healthy lifestyle as the key channel to target this group of customers. As the leading company in the category in terms of retail market share by value in 2020, Quorn Foods will also drive to provide category vision thought leadership to grow the category together with its customers.

The *Cauldron* brand complements the *Quorn* brand to ensure a wider range of consumer needs can be met. Its plant-based products stretch beyond purely meat alternatives with ingredient-led products like *Tofu* and *Falafels*. Quorn Foods intends to compete in the rapidly growing chilled retail category offering a wider product range, allowing vegans and flexitarians alike to enhance their eating experiences and broaden their repertoire. Quorn Foods has recently dedicated additional resources to the *Cauldron* brand in order to accelerate growth opportunities, by stretching the range and the formats of alternative proteins.

Furthermore, Quorn Foods will continue to build on its strong position in foodservice, especially in schools and the pubs/bar channels as well as with QSRs such as Greggs and KFC in the U.K. To that end, it has a number of "chicken" style products ready for launch.

- ***Targeting the U.S. as a high growth opportunity***: In February 2021, a new management team role based in the U.S., the President of U.S. market, was appointed to put the right focus and dedication to the market. Quorn Foods will focus on retail and foodservice channels with selected product groups such as "chicken." Quorn Foods has, in the past, taken a selective approach in the U.S., focusing on the frozen category and key states in the country. Through its efforts, Quorn Foods is ranked third in the West with a 10.5% market share and is ranked fourth in the Great Lakes with an 8.0% market share for the frozen meat alternatives in 2020 as set out in the OC&C industry report. Going forward, Quorn Foods will look to further deepen its foothold in these regions and broaden its presence in other parts of the country by focusing on expanding the product portfolio with localized innovations and increasing brand awareness. Quorn Foods has started on this path by using influencers. Additionally, to drive product development in-market, especially for foodservice, Quorn Foods recently obtained access to development kitchen facilities and expanded its local culinary team. Quorn Foods believes this will help drive the speed of localized and bespoke product development.

- ***Increasing penetration in the Global QSR channel***: Quorn Foods has a proven track record in the QSR channel with customers such as Greggs, KFC, Costa and Pizza Hut in the U.K. and Hooters in the U.S. and intends to expand its business globally. Quorn Foods has identified the QSR channel as a way to grow the business and increase accessibility to food. A dedicated team, including experienced QSR NPD resources, has been created to work with key customers to provide tailormade products, services and solutions. Quorn Foods has recognized synergistic benefits between the approach to this key channel and developing the local foodservice/QSR channel in the U.S.

- ***Preparing for further international growth***: Quorn Foods will start by leveraging off its existing presence in key European markets, developing the right localized portfolio for selected markets and preparing for long-term high growth. Additionally, it will prepare for future opportunities in selected Asian markets, especially in countries where it or the Company has an existing presence.

Investing to position Quorn Foods to be a long-term winner in the massive addressable and expanding meat alternatives market

Quorn Foods believes that, in order to win in the meat alternatives market, it must make food that matches the taste expectations of flexitarians, drive mass awareness to the flexitarian consumer base, have the highest credentials in health and sustainability, have the capacity to match growth potential and have a footprint in the major markets.

To that end, Quorn Foods has already invested in incremental capacity to prepare for near-term growth opportunity and to complete its transformation and capture the next phase of growth it intends to invest further to:

- ***Build capacity for medium-term growth***: Quorn Foods aims to ensure sufficient capacity and agility in this high growth category. Furthermore, Quorn Foods intends on investing in localized manufacturing capabilities in markets where they gain scale, with the U.S. market identified as the priority to look to invest in local production capacity.

- ***Lead through technology***: Quorn Foods believes that the requirements of the meat alternatives category will continue to evolve as it attracts new and diverse consumers and tastes. It therefore seeks to not only keep enhancing its bio-tech (fermentation) capabilities but also invest in research and food technologies to continuously improve its products. To that end it is actively evaluating options for a Global Food Application and Innovation Center. Through these developments, Quorn Foods aims to deliver the next generations of great-tasting food that is better for people and the planet.

- ***Build its brand and conduct consumer research***: Quorn Foods plans to accelerate investment in marketing and consumer research, further developing its brand in priority markets.

In summary, Quorn Foods believes it has embarked on the right transformational journey for growth. Over the next years, the focus will be on the home market, the U.S. across retail and foodservice and QSR channels. Key pillars of the growth strategy across the priority markets are developing great-tasting food for now and the future, driving brand awareness, developing partnerships with key customers in retail and foodservice, expanding capacity and technical capabilities and continuing to expand capabilities and resources for R&D and marketing. In line with this, the Company intends to allocate part of the proceeds of the Offer to accelerate the investment in Quorn Foods.

Continue to promote sustainability and health in the Group's APAC BFB Business

The Group has six strategic areas of actions in respect of this strategy for the APAC BFB Business, as follows:

Pivot to a "healthier and better" portfolio

To tackle the challenges posed by malnutrition in the Philippines, the Group intends to (i) develop and grow its "healthier and better" portfolio and (ii) drive consumer education and engagement on health and nutrition. The Group's "healthier and better" portfolio comprises noodle products that have been migrated to the high-speed airflow technology resulting in a reduction in saturated fat by over 50%, bakery products which the Group intends to enrich with essential nutrients and beverage products that meet the Philippine Department of Education's green (less 10 grams) and yellow (10 to 20 grams) standards on sugar content.

In relation to developing and growing its "healthier and better" portfolio, in 2020, the Group embarked on an initiative aiming to reduce the sodium contents of its noodle products up to 2% per year for the next five years. Through product innovations in its "healthier and better" portfolio and consumer education and engagement, the Group aims to increase the revenue share of its "healthier and better" portfolio.

Moving toward a resource efficient and zero waste value chain

To address solid waste management, one of the primary environmental issues associated with the food products industry, the Group intends to (i) implement waste-to-value initiatives, (ii) manage post-consumer waste footprint and (iii) implement other initiatives such as those relating to yield loss reduction and materials efficiency. The Group also intends to switch to 100% recyclable packaging in the future. Through these initiatives, the Group aims to increase the percentage of waste recycled as well as of waste diverted to other value chains from its various facilities.

Transition to a low carbon value chain

To align with global efforts to transition towards a low-carbon economy, the Group intends to (i) improve the energy efficiency of its plants, (ii) shift to renewable energy and (iii) promote supply and distribution efficiency by, among others, building a fuel-efficient supply network and driving responsible sourcing.

The Group monitors its GHG closely and aims to reduce greenhouse gas intensity across its value chain. The Group intends to reduce the greenhouse gas intensity of its facilities by entering into a green sourced power purchasing agreement, improving productivity (by increasing output using the same or less utilities) and switching to lower carbon fuel for steam production. For example, the Group plans to shift to LPG (instead of coal) as energy source in its facility in Batangas that is under construction.

Scale up inclusive distribution

The Group intends to strengthen its community distribution network by providing livelihood to its brand experts and to empower its *sari-sari* store partners by providing access to microfinance services. The Group also aims to increase the number of brand experts provided with livelihood opportunities as well as the number of its *sari-sari* store partners with access to financial credit. In 2020, the Group partnered with a Philippine bank and TrueMoney Philippines (**TrueMoney**) in relation to the provision of microfinance credit to over 1,000 *sari-sari* stores. Under the tripartite agreement, the Philippine bank provides credit for the purchase of the Group's products. The maximum short-term working capital amount for *sari-sari* stores is ₱5,000 which may increase over time depending on the retailer's usage or credit standing. TrueMoney, a financial technology company and remittance network, releases the cash payments via bank-to-bank transactions to the Group's distributor partners in relation to the purchases made by the enrolled *sari-sari* store customers of such distributors. This arrangement enables the Group's *sari-sari* store partners to purchase additional stocks of the Group's products on affordable credit. The Group facilitates and monitors these arrangements and provides incentives such as loyalty points and onboarding product freebies to encourage its *sari-sari* store partners to use this microfinance facility.

The Group believes its partnership with the Philippine bank and TrueMoney bridges the gap and provides its *sari-sari* store partners access to financial solutions. As of the date of this Prospectus, this tripartite arrangement has been suspended in view of the COVID-19 pandemic. The Group intends to resume these or similar arrangements in the future. The Group plans to team up with multiple strategic partners to provide financial credit to its *sari-sari* store partners.

Foster an inclusive environment through better workplace practices

The Group aims to provide productive employment and ensure rights at work, social protection, and opportunities for social dialogue across its workplaces. To achieve these, the Group intends to continue to (i) ensure an inclusive workplace (ii) offer opportunities for career growth, (iii) provide social safeguards, (iv) work with labor providers with similar management practices and that share the same values and (v) encourage social dialogue.

Enable employees to put the Group's sustainability aspirations into action

The Group seeks to engage its workforce on sustainability and address societal challenges relevant to their context. The Group intends to engage employees on sustainability through education and training as well as activities and initiatives. The Group also encourages all employees to contribute to sustainability through personal conduct and through a structured feedback system to encourage initiatives and process them for further development.

Continue to adhere to the Group's aspiration to improve the well-being of people and the planet, and create sustainable solutions for food security

The Group has been built through continuous innovation and investment ahead of changing consumer tastes. Over time, the Group has progressed from a focus on taste alone, to focusing on a combination of taste and individual and planetary health. The Group believes its success has outweighed the occasional setbacks that it has

experienced as it searched for ways to achieve its aspirations. The Group will continue to seek investments in brands, processes and emerging technologies that are compatible with its aspirations. See "*Business — APAC BFB Business — Sustainability*" on page 226 and "*Business — Meat Alternative Business – Quorn Foods — Sustainability*" on page 249.

RISKS OF INVESTING

Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Offer Shares. Certain of these risks are discussed in the section entitled "*Risk Factors*" and include risks relating to the Group and its business in general, risks relating to the Group's APAC BFB Business, risks relating to the Group's Meat Alternative Business, regulatory risks, risks relating to the Philippines, risks relating to the Offer and the Offer Shares, and risks relating to certain information in this Prospectus.

INVESTOR RELATIONS OFFICE

The investor relations office (**IRO**) will implement the investor relations program in order to reach out to all shareholders and keep them informed of corporate activities. The IRO will also handle communication of relevant information to the Company's stakeholders as well as to the broader investor community. The IRO will also be responsible for receiving and responding to investor and shareholder queries relating to the Company.

Mr. Michael John Paska has been appointed as Corporate Business Development and Investor Relations Director of the Company and oversees the IRO. The IRO together with the Chief Compliance Officer will ensure that the Company comply with and file on a timely basis all required disclosures and continuing requirements of the Philippine SEC and the PSE. In addition, the IRO will oversee most aspects of the shareholder meetings, press conferences, investor briefings, and management of the investor relations portion of the Company website.

The IRO will be located at the 21st Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City, Metro Manila, Philippines with contact details as follows:

Landline: +63 2 7759 7519 / +63 2 7759 7577

E-mail: investor.relations@mondenissin.com

COMPANY INFORMATION

The Company is a corporation incorporated with limited liability under the laws of the Philippines. The Company's registered principal office address is Felix Reyes Street, Barangay Balibago, City of Santa Rosa, Laguna, Philippines. The Company's telephone number is +63 2 7759 7500. The Company's website is www.mondenissin.com. The information on the Company's website is not incorporated by reference into, and does not form part of, this Prospectus.

SUMMARY OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations, and privileges attaching to or arising from the Offer Shares. Some rights, obligations, or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective investors are enjoined to perform their own independent investigation and analysis of the Company and the Offer Shares. Each prospective investor must rely on its own appraisal of the Company and the Offer Shares and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Common Shares and must not rely solely on any statement or the significance, adequacy, or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis.

Issuer	Monde Nissin Corporation
Selling Shareholder	Henry Soesanto
Joint Global Coordinators	UBS AG Singapore Branch, Citigroup Global Markets Limited and J.P. Morgan Securities plc
Local Lead Underwriters	BDO Capital & Investment Corporation, BPI Capital Corporation and First Metro Investment Corporation
Joint International Bookrunner	Credit Suisse (Singapore) Limited
International Co-Bookrunners	Macquarie Capital Securities (Singapore) Pte. Limited and Jefferies Singapore Limited
Domestic Co-Lead Managers	[●], [●], and [●]
Selling Agents	PSE Trading Participants
The Offer[27]	Offer of up to 3,600,000,000 Firm Shares, consisting of up to 3,600,000,000 Primary Offer Shares to be offered and issued by the Company, together with an offer of up to 540,000,000 Option Shares by the Selling Shareholder pursuant to the Over-allotment Option (as described below).
Institutional Offer[28]	[At least 2,520,000,000] Firm Shares (about [70]% of the Firm Shares) are being offered for sale: (i) outside the United States by the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners in offshore transactions in reliance on Regulation S of the U.S. Securities Act; (ii) within the United States through the Joint Global Coordinators', the Joint International Bookrunner's and the International Co-Bookrunners' U.S. registered broker-dealer affiliates to U.S. QIBs in reliance on Rule 144A under the U.S. Securities Act; and (iii) to certain qualified institutional buyers and other investors in the Philippines, by the Local Lead

[27] On March 1, 2021, a majority of the Board and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine SEC. The numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned reduction of par value.
[28] See footnote 27.

	Underwriters. The Option Shares will form part of the Institutional Offer. [The Institutional Offer includes the Cornerstone Shares allocated to Cornerstone Investors. At the Offer Price of [up to ₱17.50], the Cornerstone Shares represent [●]% of the Offer Shares (assuming full exercise of the Over-allotment Option) and [●]% of the Offer Shares (assuming the Over-allotment Option is not exercised). See "*Plan of Distribution — The Institutional Offer — Cornerstone Investment Agreements*" on page 312.] The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Company, the Selling Shareholder, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner and the International Co-Bookrunners, as well as oversubscription or undersubscription of either or both the Trading Participants and Retail Offer and the Institutional Offer. See "—*Reallocation*" below.
Trading Participants and Retail Offer[29]	[Up to 1,080,000,000] Firm Shares (about [30]% of the Firm Shares) (the **Trading Participants and Retail Offer Shares**). [Up to 720,000,000] Trading Participants and Retail Offer Shares (about [20]% of the Firm Shares) are being allocated to all of the PSE Trading Participants at the Offer Price and [up to 360,000,000] Trading Participants and Retail Offer Shares (about [10]% of the Firm Shares) are being allocated at the Offer Price to local small investors (**LSIs**). Each PSE Trading Participant shall initially be allocated [●] Firm Shares. Based on the initial allocation for each PSE Trading Participant, there will be a total of [●] residual Firm Shares to be allocated as may be determined by the Local Lead Underwriters. Each LSI applicant may subscribe for a minimum of [500] Firm Shares and up to a maximum of [●] Firm Shares at the Offer Price. The Local Lead Underwriters shall purchase the Trading Participants and Retail Offer Shares not reallocated to the Institutional Offer or otherwise not taken up by the PSE Trading Participants or clients of the Local Lead Underwriters or the general public in the Philippines pursuant to the terms and conditions of the Domestic Underwriting Agreement. The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Company, the

[29] See footnote 27.

	Selling Shareholder, the Joint Global Coordinators and the Local Lead Underwriters, as well as oversubscription or undersubscription of either or both the Trading Participants and Retail Offer and the Institutional Offer. See "— *Reallocation*" below.
Offer Price[30]	[Up to ₱17.50] per Offer Share.
Over-allotment Option[31]	Subject to the approval of the Philippine SEC, the Selling Shareholder has granted the Stabilizing Agent, [UBS AG Singapore Branch] and its relevant affiliates, an option, exercisable in whole or in part, to purchase up to 540,000,000 Option Shares at the Offer Price, on the same terms and conditions as the Offer Shares as set out in this Prospectus and effect price stabilization transactions. The Over-allotment Option is exercisable from time to time for a period which shall not exceed 30 calendar days from and including the Listing Date. See "Plan of Distribution — *The Institutional Offer — The Over-allotment Option*" on page 317.
Use of Proceeds	The Company intends to use its net proceeds from the Primary Offer to fund Capital Expenditure (as defined below), redemption of the Arran Convertible Note (as defined below) and repayment of loans to commercial banks, namely BDO Unibank, Inc., Metropolitan Bank & Trust Company and Bank of the Philippine Islands. BDO Unibank, Inc. is the parent company of BDO Capital. Metropolitan Bank & Trust Company is the parent company of First Metro. Bank of the Philippine Islands is the parent company of BPI Capital. See "*Use of Proceeds*" on page 84.
Minimum Subscription and Board Lot[32]	Each application must be for a minimum of [500] Offer Shares, and, thereafter, in multiples of [100] Shares (the **Board Lot**). Applications for multiples of any other number of Shares may be rejected or adjusted to conform to the required multiple, at the Company's discretion.
Reallocation	The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between us, the Selling Shareholder, the Joint Global Coordinators and the Local Lead Underwriters. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not

[30] See footnote 27.
[31] See footnote 27.
[32] See footnote 27.

	apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.
Lock-up[33]	Under the PSE Consolidated Listing and Disclosure Rules, existing shareholders who own an equivalent of at least 10% of the issued and outstanding Common Shares as of the Listing Date cannot sell, assign or in any manner dispose of their Shares for a minimum period of 180 days after the Listing Date. Thus, the following shall be subject to such lock-up period:

Shareholder	**No. of Shares Subject to 180-day Lock-up Period**
Hartono Kweefanus	4,214,244,600
Betty Ang	3,265,920,000
Henry Soesanto[34] [35]	1,274,633,996*

*Assuming the Over-allotment Option is fully exercised or 1,814,633,996 Common Shares if the Over-allotment Option is not exercised.

In addition, if there is any issuance of shares or securities such as private placements, assets for shares swap or a similar transaction or instruments which lead to issuance of shares or securities such as convertible bonds, warrants or a similar instrument that are completed within 180 days prior to the start of the offer period, and the transaction price is lower than the Offer Price in the initial public offering, all such shares or securities shall be subject to a lock-up period of at least 365 days from full payment of such shares or securities. A total of 1,228,611,496 Common Shares held by My Crackers, Inc. will be subject to such 365-day lock-up.

To implement the lock-up requirement, the Company and the foregoing shareholders shall enter into an escrow agreement with the Escrow Agent.

See "*Principal and Selling Shareholders — Lock-up*" on page 281 and "*Plan of Distribution— The Institutional Offer — Lock-up*" on page 318.

Listing and Trading	The Company has filed an application with the Philippine SEC for the registration, and an application with the PSE for the listing, of the Offer Shares and all of the Company's issued

[33] See footnote 27.
[34] Adrian Foo Qijing will transfer 200 shares to Henry Soesanto and cease to be a shareholder before the Offer. The Company expects this process to be completed in April 2021. The numbers of shares are stated assuming completion of such transfer.
[35] Helen G. Tiu and David Nicol will transfer back their respective nominee shares to Henry Soesanto after April 15, 2021 and in any event, before the Listing Date. The number of shares is stated assuming completion of such transfers.

	and outstanding Common Shares. The Philippine SEC is expected to issue the Order of Effectivity and Permit to Sell on or about [●], 2021 and the PSE approved the listing application on [●], 2021, subject to compliance with certain listing conditions. All of the Offer Shares in issue or to be issued are expected to be listed on the Main Board of the PSE under the symbol "MONDE." See "*Description of the Shares*" on page 287. All of the Offer Shares are expected to be listed on the PSE on or about [●], 2021. Trading of the Offer Shares that are not subject to lock-up is expected to commence on or about [●], 2021.
Dividends and Dividend Policy	The Company is authorized to declare dividends. The Company may pay dividends in cash, property, or by the issuance of shares of stock. Cash and property dividends are subject to the approval of the Board, while stock dividends, in addition to the approval by the Board, require the approval of stockholders representing at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose and the approval by the Philippine SEC. Dividends may be declared only from available unrestricted retained earnings. The Board will periodically review the amount of dividends to be paid and the frequency of dividend payment in light of the Company's earnings, financial condition, cash flows, capital requirements and other considerations while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Company can operate on a standalone basis. See "*Dividends and Dividend Policy*" on page 90.
Restrictions on Ownership	The Offer Shares will be in scripless form and may be purchased by any person, association, partnership, or trust, regardless of citizenship or nationality, subject to the nationality limits under Philippine law. The Philippine Constitution and related statutes set forth restrictions on foreign ownership for companies engaged in nationalized or partly nationalized activities. The Company is currently not engaged in any nationalized or partly nationalized activities. Neither does it own any land in the Philippines that would subject it to foreign ownership restrictions. Thus, the Company is not subject to any foreign ownership limits. For more information relating to restrictions on the ownership of the Shares, please see "*Description of the Shares*" on page 287 and "*Philippine Foreign Exchange and Foreign Ownership Controls*" on page 302.

Transfer Restrictions	The Institutional Offer Shares are being offered for sale: (i) outside the United States by the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners in offshore transactions in reliance on Regulation S of the U.S. Securities Act; (ii) within the United States through the Joint Global Coordinators', the Joint International Bookrunner's and the International Co-Bookrunners' U.S. registered broker-dealer affiliates to U.S. QIBs in reliance on Rule 144A under the U.S. Securities Act; and (iii) to certain qualified institutional buyers and other investors in the Philippines, by the Local Lead Underwriters. The Offer Shares have not been and will not be registered under the U.S. Securities Act. The Offer Shares may be subject to certain transfer restrictions as described herein. See "*Plan of Distribution — The Institutional Offer*" on page 315.
Registration of Foreign Investments	The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP only if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the Philippine banking system. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See "*Philippine Foreign Exchange and Foreign Ownership Controls*" on page 302.
Restriction on Issuance and Disposal of Shares	See "*Lock-up*" above.
Tax Considerations	The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules, which may or may not be discussed in this Prospectus. See "*Philippine Taxation*" on page 304 for further information on the Philippine tax consequences of the purchase, ownership and disposal of the Offer Shares.
Procedure for Application for the Offer	[Application forms and specimen signature cards (the **Application**) may be obtained from any of the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners and the participating Trading Participants, and shall be made available for download on the Company website.. Applicants shall complete the application form, indicating all pertinent information such as the applicant's name, address, taxpayer's identification number, citizenship, and all other information as may be required in the application form. Applicants shall undertake to sign all documents and to do all necessary acts to enable them to be registered as holders of the Offer Shares. Failure to complete the application form may result in the rejection of the Application.

All Applications shall be evidenced by the application to purchase form, in quadruplicate, duly executed by the applicants themselves or by the authorized signatory(ies) of the applicant (in the case of an applicant that is not a natural person), and accompanied by the corresponding payment for the Offer Shares covered by the Application and all other required documents.

If the applicant is an individual person, the Application must be accompanied by the following documents:

- two (2) duly executed specimen signature cards, duly authenticated by the applicant's nominated PDTC Participant or the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner and the International Co-Bookrunners (if the applicant is a client of the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner and the International Co-Bookrunners);

- photocopy of two (2) valid and current government-issued IDs (e.g., SSS, GSIS, Driver's License, Passport or PRC) (note: For joint applications (i.e. multiple applicants in one Application), two (2) valid and current government-issued IDs of each applicant/investor will be required); and

- such other documents as may be reasonably required by the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners or participating Trading Participants (as applicable) in compliance with their respective internal policies regarding "knowing your customer" and anti-money laundering.

If the applicant is a corporation, partnership, trust account, or any other legal person, the Application must be accompanied by the following documents:

- two (2) duly executed specimen signature cards of the authorized signatory(ies), duly authenticated by the applicant's corporate secretary (or the equivalent corporate officer);

- a certified true copy of the applicant's latest articles of incorporation and by-laws (or the equivalent documents) and other constitutive documents (each as amended to date) duly certified by its corporate secretary (or the equivalent corporate officer authorized to provide such certification);

- a certified true copy of the applicant's certificate of registration (or the equivalent document) issued by the

relevant regulating body of the applicant's country of incorporation or organization duly certified by its corporate secretary (or the equivalent corporate officer authorized to provide such certification);

- a duly notarized corporate secretary's certificate (or the equivalent document) setting forth the resolutions of the applicant's board of directors or equivalent body, namely: (i) authorizing the purchase of the Offer Shares indicated in the application; (ii) identifying the list of designated signatory(ies) authorized for the purpose mentioned in (i), including each signatory's specimen signature; and (iii) certifying the percentage of the applicant's capital or capital stock held by Philippine nationals;

- a photocopy of two (2) valid and current government-issued IDs (e.g. SSS, GSIS, Driver's License, Passport or PRC ID) of (a) the authorized signatory/ies, duly certified as a true copy by the Corporate Secretary and (b) the Corporate Secretary, duly certified as a true copy by an authorized officer of the corporation; and

- such other documents as may be reasonably required by the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners or participating Trading Participants (as applicable) in compliance with its internal policies regarding "knowing your customer" and anti-money laundering.

For foreign corporate and institutional applicants, in addition to the foregoing documents, a certification, in quadruplicate, representing and warranting that their investing in the Offer Shares subject of the Application will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares, shall be submitted.

For LSI applicants, applications shall be done via the PSE Electronic Allocation System or "PSE EASy" (https://easy.pse.com.ph/). LSI applications shall be allocated through a distribution mechanism wherein fully paid applications will be allocated in ascending order (i.e. from the lowest to the highest), and upon the Receiving Agent's validation or confirmation of complete payment of the purchased shares. Multiple applications (i.e. two or more applications by the same LSI applicant) will not be allowed.

With respect to the LSIs, the procedure in subscribing to the Offer Shares via "PSE EASy" shall be described in the Company's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Local Lead

	Underwriters shall prioritize subscriptions of small investors with amounts lower than the maximum subscription. For more details on the Procedure for Application for the Offer, please refer to the [Procedures and Implementing Guidelines for Trading Participants for the Initial Public Offering of Monde Nissin Corporation] and the [Procedures and Implementing Guidelines for Local Small Investors for the Initial Public Offering of Monde Nissin Corporation].]
Payment Terms for the Offer	[The purchase price must be paid in full in Philippine pesos upon the submission of the duly completed and signed application form and specimen signature card together with the requisite attachments. For the Institutional Offer, payment for the Offer Shares shall be made either by: (i) a personal or corporate check drawn against an account with a BSP authorized bank having a clearing period of no more than one business day; (ii) a manager's or cashier's check issued by a BSP authorized bank having a clearing period of no more than one (1) business day; or (iii) a direct remittance via Real Time Gross Settlement (**RTGS**) or any other remittance services, or an intrabank fund transfer to the designated bank account of the Receiving Agent. For the Trading Participants Offer, payment for the Offer Shares shall be made through over-the-counter cash or check deposit payment in any [●] branches *via* [●] under the account "[●]". For the Retail Offer, payment for the Offer Shares shall be made either by: (i) over-the-counter cash or check deposit payment in any [●] branches *via* [●] under the account "**[●]**," or (ii) online payment via [●] under the biller account "**[●]**" or via [●] under the biller account "**[●]**." Applicants participating in the Retail Offer may contact the Receiving Agent for alternative modes of payment. For check payments, only personal or corporate checks, and manager's or cashier's checks with a clearing period of not more than one (1) business day and drawn against any BSP authorized agent bank will be accepted as a valid mode of payment. The check must be dated as of the date of submission of the Application, made payable to "**[●]**," and crossed "Payee's Account Only." Checks subject to clearing periods of over one (1) banking day shall not be accepted. The applications and required documents (including proof of payments) shall be transmitted to the Receiving Agent by electronic mail at [●] on or before the end of the offer period, with the physical copies delivered to the Receiving Agent's address at [●] no later than 12:00 noon two (2) business days after the end of the offer period.

	For more details on the Procedure for Application for the Offer, please refer to the [Procedures and Implementing Guidelines for Trading Participants for the Initial Public Offering of Monde Nissin Corporation] and the [Procedures and Implementing Guidelines for Local Small Investors for the Initial Public Offering of Monde Nissin Corporation].]
Acceptance or Rejection of Applications for the Trading Participants and Retail Offer	Applications for the Offer Shares are subject to the confirmation of the Local Lead Underwriters, and the Company's final approval. The Company and the Selling Shareholder, in consultation with the Local Lead Underwriters, reserve the right to accept, reject or scale down the number and amount of Offer Shares covered by any application. The Company, the Selling Shareholder and the Local Lead Underwriters have the rights to reallocate available Offer Shares in the event that the Offer Shares are insufficient to satisfy total applications received. The Trading Participants Offer Shares will be allocated in such a manner as the Company, the Selling Shareholder and the Local Lead Underwriters may, in their sole discretion, deem appropriate, subject to the distribution guidelines of the PSE. Applications may be rejected if: (i) the subscription price is unpaid or not fully paid; (ii) payments are insufficient or where checks, as applicable, are dishonored upon first presentment; (iii) the Applications are not received by the Receiving Agent or any of the Local Lead Underwriters on or before the end of the offer period; (iv) the number of Offer Shares subscribed is less than the minimum amount of subscription; (v) the Applications do not comply with the terms of the Offer; or (vi) the Applications do not have sufficient information as required in the Application to Purchase or are not supported by the required documents. Notwithstanding the acceptance of any application, the actual acquisition of the Offer Shares by an applicant will be effective only upon the crossing and listing of the Offer Shares on the PSE.
Refunds of the Trading Participants and Retail Offer	In the event that the number of Offer Shares received by an applicant, as confirmed by the Local Lead Underwriters, is less than the number covered by its application, or if an application is rejected by the Company, then the applicant is entitled to a refund, without interest, of all or a portion of the applicant's payment corresponding to the number of Offer Shares wholly or partially rejected. All refunds shall be made through the Receiving Agent, at the applicant's risk. Check refunds shall be available for pick-up at the office of the Receiving Agent starting on the fifth business day after the end of the offer period or on [●], 2021. If such check refunds are not claimed after 30 days following the beginning of the

	refund period, such checks shall be mailed to the applicant's registered address at the applicant's risk.
Registration and Lodgment of Shares with the PDTC	The Offer Shares are required to be lodged with the PDTC. The applicant must provide the information required for the PDTC lodgment of the Offer Shares. The Offer Shares will be lodged with the PDTC, and a certification to that effect shall be submitted to the PSE at least three (3) Trading Days prior to the Listing Date. Applicants may request to receive share certificates evidencing their investment in the Offer Shares through their brokers or PDTC Participant after the Listing Date. Any expense to be incurred by such issuance of certificates shall be borne by the applicant.
Expected Timetable	The timetable of the Offer is expected to be as follows:

Pricing..	[●], 2021
Notice of final Offer Price and submission of Final Prospectus to the Philippine SEC and PSE	[●], 2021
Receipt of the Permit to Sell from the Philippine SEC	[●], 2021
Trading Participants and Retail Offer Period	[●], 2021 to [●], 2021
PSE Trading Participants' Commitment Period....................	[●], 2021 to [●], 2021
Submission of Firm Order and Commitments by PSE Trading Participants	[●], 2021
Submission of Application and payments of Trading Participants and Local Small Investors...........	[●], 2021
Listing Date and commencement of trading on the PSE..................	[●], 2021

The dates included above are subject to the approval of the PSE and the Philippine SEC, market and other conditions, and may be changed.

Risks of Investing	In making an investment decision, investors are advised to carefully consider all the information contained in this Prospectus, including the risks associated with an investment in the Offer Shares. These risks include: • risks relating to the Group and its business in general;

- risks relating to the Group’s APAC BFB Business;
- risks relating to the Group’s Meat Alternative Business;
- regulatory risks;
- risks relating to the Philippines;
- risks relating to the Offer and the Offer Shares; and
- risks relating to certain information in this Prospectus.

For a more detailed discussion on certain of these risks, see “*Risk Factors*” on page 51, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Offer Shares. The Offer Shares are offered solely on the basis of the information contained in this Prospectus.

Receiving Agent	BDO Unibank Inc.
Stock Transfer Agent	BDO Unibank Inc. – Trust and Investment Group
Escrow Agent	BDO Unibank Inc. – Trust and Investment Group
Philippine Counsel for the Issuer	Picazo Buyco Tan Fider & Santos
International Counsel for the Issuer	Allen & Overy LLP
Philippine Counsel for the Underwriters	Angara Abello Concepcion Regala & Cruz Law Offices
International Counsel for the Underwriters	Milbank LLP
Independent Auditors	SyCip Gorres Velayo & Co.
Industry Consultants	Euromonitor, OC&C

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following tables present selected financial information of the Group. This selected data should be read in conjunction with the independent auditors' report and with the audited consolidated financial statements of the Group and notes thereto contained in this Prospectus and the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 140. The Group's selected financial data as of and for the years ended December 31, 2018, 2019 and 2020 were derived in each case from the audited consolidated financial statements of the Company included elsewhere in this Prospectus. The Group's financial information below should not be considered indicative of the results of future operations. Furthermore, the translation of Philippine peso amounts into U.S. dollars as of and for the year ended December 31, 2020 is provided for convenience only and is unaudited. For readers' convenience only, amounts in Philippine pesos were converted to U.S. dollars using (i) the simple weighted average rate of the BSP weighted average for each month of 2020, which is ₱49.6241 = U.S.$1.00, for figures from the Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2020, and (ii) the BSP Rate (as defined below) as of December 29, 2020 of ₱48.036 = U.S.$1.00 for figures from the Group's consolidated statement of financial position as of December 31, 2020.

SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the year ended December 31,			
	2018[36]	**2019**	**2020**	**2020**
		(Audited)		**(Unaudited)**
	(₱ in millions, except EPS numbers)			**(U.S.$ in millions)**
Net sales	63,367	65,451	67,946	1,369.2
Cost of goods sold	39,182	40,194	41,440	835.1
Gross profit	24,185	25,257	26,506	534.1
Sales, general and administrative expenses	14,917	13,141	13,409	270.2
Operating profit	9,268	12,116	13,097	263.9
Other income (expenses)				
Impairment loss	(825)	(791)	(1,014)	(20.4)
Foreign exchange gain – net	157	88	914	18.4
Share in net losses of associates and joint ventures	(137)	(251)	(98)	(2.0)
Gain (loss) on sale of property, plant and equipment	(17)	(82)	3	0.1
Miscellaneous income	452	356	247	5.0
	(370)	(680)	52	1.1
Income before finance income (expenses)	8,898	11,436	13,149	265.0
Finance income (expenses)				
Interest expense	(2,077)	(2,438)	(1,786)	(36.0)
Interest income	108	304	263	5.3
Derivative gain (loss)	17	(178)	99	2.0
	(1,952)	(2,312)	(1,424)	(28.7)
Income before income tax	6,946	9,124	11,725	236.3
Provision for (benefit from) income tax				
Current	1,957	2,641	3,194	64.4
Deferred	329	(166)	465	9.4
	2,286	2,475	3,659	73.8
Net income from continuing operations	4,660	6,649	8,066	162.5

[36] The Group adopted PFRS 16, Leases, using the modified retrospective approach upon adoption on January 1, 2019 and elected to apply the standard to contracts that were previously identified as leases applying PAS 17, Leases, and Philippine Interpretation IFRIC-4, Determining whether an Arrangement Contains a Lease. Amounts presented in the consolidated statement of financial position as of December 31, 2018 and consolidated statement of comprehensive income for the year ended December 31 2018 are based on PAS 17 and Philippine Interpretation IFRIC 4. The comparative financial information for accounts affected by the adoption of PFRS 16 may not be comparable to the information presented as of and for the years ended December 31, 2019 and 2020.

	For the year ended December 31,			
	2018[36]	2019	2020	2020
		(Audited)		(Unaudited) (U.S.$ in millions)
	(₱ in millions, except EPS numbers)			
Net loss after tax from discontinued operations	(1,932)	—	—	—
Net income	2,728	6,649	8,066	162.5
Other comprehensive income (loss)				
Other comprehensive loss to be reclassified to profit and loss in subsequent periods:				
Exchange losses on foreign currency translation (including effective portion of the net investment hedge)	(244)	(758)	(1,100)	(22.2)
Other comprehensive income (loss) not to be reclassified to profit and loss in subsequent periods:				
Loss on financial assets at fair value through other comprehensive income	(118)	—	—	—
Remeasurement gain (loss) on defined benefit plans	30	34	(331)	(6.7)
Income tax effect	(7)	(12)	98	2.0
	23	22	(233)	(4.7)
Other comprehensive income (loss) – net of tax	(339)	(736)	(1,333)	(26.9)
Total comprehensive income	2,389	5,913	6,733	135.6
Net income from continuing operations attributable to:				
Equity holders of the Company	3,972	5,827	7,341	147.9
Non-controlling interests	688	822	725	14.6
	4,660	6,649	8,066	162.5
Net loss from discontinued operations attributable to:				
Equity holders of the Company	(1,932)	—	—	—
Non-controlling interests	—	—	—	—
	(1,932)	—	—	—
Total comprehensive income attributable to:				
Equity holders of the Company	1,700	5,108	6,013	121.2
Non-controlling interests	689	805	720	14.5
	2,389	5,913	6,733	135.7
Earnings per Share (EPS)				
Basic, income attributable to equity holders of the parent	₱0.31	₱0.89	₱1.12	U.S.$0.02
Diluted, income attributable to equity holders of the parent	₱0.31	₱0.95	₱1.05	U.S.$0.02
EPS from continuing operations				
Basic, income attributable to equity holders of the parent	₱0.60	₱0.89	₱1.12	U.S.$0.02
Diluted, income attributable to equity holders of the parent	₱0.60	₱0.95	₱1.05	U.S.$0.02

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31,			
	2018[37]	2019	2020	2020
		(Audited)		(Unaudited)
		(₱ in millions)		(U.S.$ in millions)
ASSETS				
Current Assets				
Cash and cash equivalents	6,578	10,499	7,093	147.7
Trade and other receivables	7,242	7,276	6,457	134.4
Inventories	6,152	5,859	6,073	126.4
Loans receivable	4,937	—	—	—
Prepayments and other current assets	849	701	972	20.2
Total Current Assets	25,758	24,335	20,595	428.7
Noncurrent Assets				
Intangible assets	34,709	34,336	33,600	699.5
Property, plant and equipment	21,194	24,121	26,637	554.5
Investments in associates and joint ventures	1,001	993	1,024	21.3
Deferred tax assets – net	755	883	843	17.6
Noncurrent receivables	500	500	655	13.6
Other noncurrent assets	1,049	786	1,048	21.8
Total Noncurrent Assets	59,208	61,619	63,807	1,328.3
Total Assets	84,966	85,954	84,402	1,757.0
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and other current liabilities	9,648	9,016	10,141	211.1
Acceptances and trust receipts payable	2,405	2,594	606	12.6
Current portion of loans payable	11,471	11,246	9,559	199.0
Refund liabilities	342	259	280	5.8
Current portion of lease liabilities	—	31	88	1.8
Income tax payable	379	700	282	5.9
Total Current Liabilities	24,245	23,846	20,956	436.2
Noncurrent Liabilities				
Loans payable	32,533	22,776	19,986	416.1
Convertible note	—	7,258	7,027	146.3
Deferred tax liabilities – net	4,005	3,929	4,200	87.4
Derivative liability	718	2,714	2,514	52.3
Lease liabilities	—	2,013	2,675	55.7
Pension liability	235	190	482	10.0
Other noncurrent liabilities	—	6	22	0.5
Total Noncurrent Liabilities	37,491	38,886	36,906	768.3
Total Liabilities	61,736	62,732	57,862	1,204.5
Equity				
Capital stock	6,570	6,570	6,570	136.8
Retained earnings:				
Appropriated	9,794	8,961	11,155	232.2
Unappropriated	8,395	9,848	12,498	260.2
Fair value reserve of financial assets at FVOCI	(235)	(235)	(235)	(4.9)
Remeasurement losses on pension liability	(94)	(63)	(290)	(6.0)
Equity reserve	(97)	(90)	(90)	(1.9)

[37] Refer to footnote 36.

	As of December 31,			
	2018[37]	2019	2020	2020
		(Audited)		(Unaudited)
		(₱ in millions)		(U.S.$ in millions)
Cumulative translation adjustments	(2,515)	(3,266)	(4,366)	(90.9)
Equity Attributable to Equity Holders of the Company	21,818	21,725	25,242	525.5
Non-controlling Interests	1,412	1,497	1,298	27.0
Total Equity	23,230	23,222	26,540	552.5
Total Liabilities and Total Equity	84,966	85,954	84,402	1757.0

SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,			
	2018[38]	2019	2020	2020
		(Audited) (₱ in millions)		(Unaudited) (U.S.$ in millions)
Net cash flow from operating activities	9,975	11,931	11,397	229.7
Net cash flows from (used in) investing activities	(4,811)	1,178	(4,484)	(90.4)
Net cash used in financing activities	(3,890)	(9,188)	(10,250)	(206.6)
Net increase (decrease) in cash and cash equivalents	1,274	3,921	(3,337)	(67.3)
Effect of foreign exchange rate changes on cash and cash equivalents	(8)	—	(69)	(1.4)
Cash and cash equivalents at beginning of year	5,312	6,578	10,499	206.9
Translation adjustment	—	—	—	9.5
Cash and cash equivalents at end of year	6,578	10,499	7,093	147.7

[38] Refer to footnote 36.

OTHER FINANCIAL DATA

EBITDA Reconciliation

	For the Year Ended December 31,			
	2018	2019	2020	2020
		(Audited)		(Unaudited)
		(₱ in millions)		(U.S.$ in millions)
Income before Income Tax	6,946	9,124	11,725	236.3
Interest Expense	2,077	2,438	1,786	36.0
Interest Income	(108)	(304)	(263)	(5.3)
EBIT[1]	8,915	11,258	13,248	267.0
Derivative (Gain)/Loss	(17)	178	(99)	(2.0)
Impairment Loss	825	791	1,014	20.4
Foreign Exchange Gain – Net	(157)	(88)	(914)	(18.4)
(Gain)/Loss on sale of shares	—	(14)	—	—
Depreciation and Amortization Expense	1,883	2,053	2,303	46.4
EBITDA[2]	11,449	14,178	15,552	313.4

Note:

(1) EBIT means earnings before interest and taxes, which is computed as the Group's income before income tax before interest expense and interest income.

(2) EBITDA means earnings before interest, taxes, depreciation and amortization, which is computed as the Group's income before income tax before interest expense, interest income, derivative gain and loss, depreciation and amortization expense, impairment loss and foreign exchange net gain.

The following tables set out EBITDA reconciliation with respect to the Group's business segments for the years indicated:

	For the Year Ended December 31,2020		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions) (audited)		
Income before Income Tax	11,137	588	11,725
Interest Expense	1,517	269	1,786
Interest Income	(257)	(6)	(263)
EBIT	12,397	851	13,248
Derivative (Gain) /Loss	(99)	0	(99)
Impairment Loss	230	784	1,014
Foreign Exchange Gain - Net	(901)	(13)	(914)
(Gain)/Loss on Sale of Shares	—	—	—
Depreciation and Amortization Expense	1,642	661	2,303
EBITDA	**13,269**	**2,283**	**15,552**

	For the Year Ended December 31,2019		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions) (audited)		
Income before Income Tax	7,913	1,211	9,124
Interest Expense	2,245	193	2,438
Interest Income	(298)	(6)	(304)
EBIT	9,860	1,398	11,258
Derivative (Gain) /Loss	178	—	178
Impairment Loss	679	112	791
Foreign Exchange Gain - Net	(136)	48	(88)
(Gain)/Loss on Sale of Shares	(14)	—	(14)
Depreciation and Amortization Expense	1,585	468	2,053
EBITDA	**12,152**	**2,026**	**14,178**

	For the Year Ended December 31,2018		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions) (audited)		
Income before Income Tax	5,467	1,479	6,946
Interest Expense	2,077	—	2,077
Interest Income	(108)	—	(108)
EBIT	7,436	1,479	8,915
Derivative (Gain) /Loss	(17)	—	(17)
Impairment Loss	825	—	825
Foreign Exchange Gain - Net	(161)	4	(157)
(Gain)/Loss on Sale of Shares	—	—	—
Depreciation and Amortization Expense	1,467	416	1,883
EBITDA	**9,550**	**1,899**	**11,449**

Key Financial Ratios

	For the year ended December 31,		
	2018	**2019**	**2020**
Current ratio	1.06	1.02	0.98
Acid test ratio	0.57	0.75	0.65
Solvency ratio	6.4%	12.6%	16.7%
Debt-to-equity ratio	2.83	2.89	2.29
Asset-to-equity ratio	3.89	3.96	3.34
Interest rate coverage ratio	4.29	4.62	7.42
Return on equity	9.3%	26.8%	31.3%
Return on assets	2.4%	6.8%	8.6%
Net sales growth	10.6%	3.3%	3.8%
Gross margin	38.2%	38.6%	39.0%
Net profit margin	4.3%	10.2%	11.9%
Net profit after tax (**NPAT**) growth	1.9%	42.7%	21.3%
EBITDA growth	9.2%	23.8%	9.7%
EBITDA margin	18.1%	21.7%	22.9%
Return on invested capital	29.4%	34.2%	33.7%

The manners by which the ratios are computed are as follows:

Financial ratios	**Formula**
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Acid test ratio	$\frac{\text{Cash and cash equivalents + Current receivables}}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Net income attributable to equity holders of the Company + Depreciation and amortization}}{\text{Total liabilities}}$
Debt-to-equity ratio	$\frac{\text{Total liabilities (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Asset-to-equity ratio	$\frac{\text{Total assets (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Interest rate coverage ratio	$\frac{\text{EBIT}}{\text{Interest Expense}}$
Return on equity	$\frac{\text{Net income attributable to equity holders of the Company}}{\text{Equity attributable to equity holders of the Company (average)*}}$
Return on assets	$\frac{\text{Net income attributable to equity holders of the Company}}{\text{Total assets (average)*}}$
Net Sales growth	$\frac{\text{Current period net sales – prior period net sales}}{\text{Prior period net sales}}$
Gross margin	$\frac{\text{Gross profit}}{\text{Net sales}}$
Net profit margin	$\frac{\text{Net income}}{\text{Net sales}}$
Net profit after tax growth	$\frac{\text{Current period NPAT – prior period NPAT}}{\text{Prior Period NPAT}}$
EBITDA Growth	$\frac{\text{Current period EBITDA – prior period EBITDA}}{\text{Prior period EBITDA}}$
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net sales}}$
Return on Invested Capital	$\frac{\text{EBIT – income tax expense}}{\text{Working capital + property. plant and equipment}}$

Note:

* (average) means average of the amounts from the beginning and end of the same period.

RISK FACTORS

An investment in the Offer Shares involves a number of risks. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. The Company's and the Group's past performance is not a guide to their future performance. There may be a large difference between the buying price and the selling price of the Offer Shares.

An investor deals in a range of investments, each of which may carry a different level of risk. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below, before deciding to invest in the Offer Shares. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on the Company's and the Group's business prospects, financial condition, results of operations, the market price of the Offer Shares and its ability to make dividend distributions to shareholders. All or part of an investment in the Offer Shares could be lost.

The means by which the Company intends to address certain of the risk factors discussed herein are principally presented under "Business — Competitive Strengths," "Business — Strategies," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Board of Directors and Senior Management" in this Prospectus. Investors should note, however, that many of the risks and uncertainties discussed below are entirely beyond the Company's control.

This risk factors discussion does not purport to disclose all of the risks and other significant aspects of investing in the Offer Shares, nor does the order of one risk factor indicate the size or priority of that risk. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors may request publicly available information on the Company from the Philippine SEC. An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of this Offer or the nature of risks involved in purchasing, holding and trading the Shares. Each investor should consult his or her own counsel, accountant and other advisors as to the legal, tax, business, financial and related aspects of an investment in the Shares.

The risk factors discussed in this section are of equal importance and are separated into categories for ease of reference only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to the Group's business, results of operations, financial condition and prospects.

Risks relating to the Group and its Business in General

If the Group fails to effectively maintain and expand its manufacturing and production capacity, or experience production malfunctions, unexpected equipment failures and other industrial accidents, its business, results of operations and brand reputation could be adversely affected.

The operations of the Group's business may face production capacity constraints. The Group has two principal business segments: (i) the APAC BFB Business, which includes the production, marketing and sales of instant noodles, biscuits and baked goods, and marketing and sales of beverages, dairy products and culinary aids, for which the principal places of business are the Philippines and, to a lesser extent, Thailand, and (ii) the Meat Alternative Business, which includes the production, marketing and sales of the *Quorn* and *Cauldron* brand meat alternatives, for which the principal place of business is the U.K. As the Group's business continues to expand, both segments have in the past experienced and may also in the future face production capacity constraints, which could involve the risk of demand outpacing the existing capacity of the relevant business and the risk of major production facilities suffering unexpected outages, maintenance, or other setbacks.

For example, Quorn Foods is currently investigating a decline in efficiency across its fermenters which first emerged in December 2020. This decline of the fermenter's operational spare capacity has fluctuated between 3% and 7%, reducing fermenting headroom from 23% to between 20% and 16%. This is being investigated. The cause

is thought likely to be due to changes in the composition of glucose supply, reflecting the 2020 harvest conditions for wheat. This highlights the inherent variability of natural products, such as wheat. Quorn Foods does not expect this present decrease in the spare capacity of its fermenters to impact its ability to meet current expectations for demand for the remainder of 2021. There can be no assurance that Quorn Foods will succeed in identifying or resolving the problem, or be able to meet the demand for its Quorn products, or that this or other problems will not further reduce the capacity of its fermenters.

Although the Group continuously seeks to enhance the output and efficiency of its existing production facilities and add more production lines and build more facilities, it may still in the future experience production difficulties that may cause shortages and delays in deliveries, as is common in the food and beverage industry, partially due to the time and costs to build such facilities. Fermenters for production of Quorn products would take an especially long lead time of up to three years to build, which would slow down the Group's responsiveness to market changes and affect its ability to achieve rapid increase of sales when faced with surging demand. In addition, the Group's effort to expand its production capacity has been affected by the ongoing COVID-19 pandemic and may also be affected in the future if the COVID-19 pandemic continues or the situation escalates; for example, the Group experienced a three-month delay in receiving facility components from Japan for building certain new manufacturing facilities in Thailand primarily due to the disruption to manufacturing and transportation by the COVID-19 pandemic. The Group's production is also subject to mechanical and system malfunctions or failures, construction and equipment upgrades and delays in the delivery of machinery, any of which could cause suspension of production and reduced output and exacerbate any existing capacity constraints. Scheduled and unscheduled maintenance programs may also affect the Group's production output. Moreover, the Group has engaged co-manufacturers to manufacture a certain number of its products and has engaged third parties to conduct maintenance and operations of certain plants and facilities and provide technical support. Despite the Group's effort in selecting appropriate contractors, their conduct and performance are not always under the Group's control or supervision, and any mal-performance may affect the quality and quantity of the Group's products. In addition, the Group may not be able to renew contracts with its co-manufacturers and providers of maintenance, operation or technical support services and may not be able to timely identify and establish relationships with new or alternative ones, which could further affect the Group's production output.

If the Group in the future is unable to minimize production malfunctions, unexpected equipment failures and other industrial accidents, effectively manage the performance of and maintain its relationships with its co-manufacturers and providers of maintenance, operation or technical support services, or increase the efficiency and production capabilities in line with increased customer demand, its business, results of operations, financial condition and prospects could be materially and adversely affected.

The Group's business depends on a steady supply of raw materials, the price and availability of which are subject to a high degree of volatility.

The Group's production volume and production costs depend on its ability to source quality key raw materials at competitive prices. The principal raw materials used in the Group's APAC BFB Business, other than water, are wheat, palm oil, refined sugar, hard flour, soft flour, fresh eggs, coconut oil, palm oil, peeled garlic, peeled onion, and flavors, and the principal raw materials used in the Meat Alternative Business are glucose, egg albumen, whey, other textured proteins, natural flavors, seasonings, coatings, vegetables, minerals, and soy (Cauldron only). The Group sources these materials from countries/regions including the Philippines, Malaysia, the U.S., the U.K. and the EU. For details, see "*Business — APAC BFB Business — Raw Materials*" on page 209 and "*Business — Meat Alternative Business – Quorn Foods — Raw Materials*" on page 241. The price and availability of these raw materials are subject to a high degree of volatility which may be caused by external conditions beyond the Group's control, such as climate and environmental conditions where weather conditions or natural events or disasters may affect expected harvests of agricultural commodities, global competition for resources, currency fluctuations, trade restrictions, outbreak of diseases and changes in governmental policies which may affect global and regional commodity demands and prices. In addition, the Group may also face the risk of non-performance or mal-performance of contracts by suppliers, which could result in delay of supply and suspension of production, especially if the supply contracts concern supplies of unique flavors. Furthermore, since some raw materials are

and may continue to be sourced from places situated long distances from the production sites, transportation and supply chain logistics and infrastructure are also important factors, especially in light of the disruption of supply chains caused by the COVID-19 pandemic and geopolitical tensions.

The Group expects its raw material costs will continue to fluctuate and be affected by inflation in the future. Price fluctuations in its raw materials may result in unexpected increases in production costs and such adverse circumstances may be exacerbated because the Group does not purchase forward contracts to secure raw material prices for its APAC BFB Business. If the Group is unable to manage these costs or to pass on any such increase to its customers, its profitability will decrease. The Group has in the past and may in the future take mitigation actions such as purchase and storage of raw materials in advance; however, if improperly managed, such advanced purchases may instead lead to high levels of stocks occupying premises and also risk the decay of raw materials. Hence, any significant increase in the price of raw materials, any inability to source and obtain alternative supplies, or any improper effort to mitigate risks may have a significant impact on the Group's profit margins. In addition, an interruption to or a shortage in the supply of such raw materials could result in the Group being unable to operate its production centers at full capacity or, if the shortage is severe, could lead to the suspension of its production altogether.

The Group's supply of high-quality raw materials, principally wheat, is also vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes and pestilence. Adverse weather conditions and natural disasters can lower crop yields and reduce crop size and quality, which in turn could reduce the available supply of, or increase the price of, quality raw materials.

Any of the above-mentioned adverse events could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group depends on distributors to sell its products, and their performance and the Group's relation with them could greatly affect its financial condition and results of operations.

The Group substantially depends on distributors including conventional distributors and e-commerce platforms to sell its products. The Group engages multiple distributors in the Philippines to distribute its products to supermarkets, retail outlets and other physical stores, and the Group generally appoints them as exclusive distributors in their respective regions. Generally, a single distributor is granted exclusive distributorship covering no more than three districts or areas. For its Meat Alternative Business, the Group also engages exclusive distributors for distribution and sales in some countries outside the U.K., the majority of which are entities of the Group or their affiliates. In addition, the Group sells products through e-commerce platforms; for example, it sells its instant noodles, biscuits, baked goods and culinary aids through Shopee Mall, LazMart and The Vegan Grocer and sells Quorn products through the online platforms of the four largest U.K. retailers, Ocado, and Amazon. For details, see "*Business — APAC BFB Business — Distribution channels*" on page 211 and "*Business — Meat Alternative Business – Quorn Foods — Distribution channels*" on page 242.

As the Group sells and distributes a significant portion of its products through distributors, certain events may cause fluctuations or a decline in its revenue and may have an adverse effect on its business, results of operations and financial condition, such as a reduction, delay or cancellation of orders from one or more of the Group's distributors, its inability to timely renew distribution agreements and maintain relationships with its existing distributors, failure to establish relationships with new distributors on favorable terms, promotions or increased sales by its distributors of its competitors' products, and its inability to timely identify and appoint additional or replacement distributors upon the loss of one or more of its distributors.

There can be no assurance that the Group will not lose any of its distributors, which may cause the Group to lose some or all of its favorable arrangements with such distributors. In addition, the operations and financial condition of the Group's distributors are not under the Group's control and its distributors may not be able to achieve satisfactory sales results. Furthermore, the Group may not be able to successfully manage its distributors and the cost of any consolidation or further expansion of its sales and distribution network may exceed the revenue generated from these efforts. There can be no assurance that the Group will be successful in detecting and

preventing any non-compliance by its distributors with the provisions of their distribution agreements. Non-compliance by the Group's distributors may, among other things, negatively affect the Group's brands, its reputation, demand for its products and its relationship with other distributors. Furthermore, if the retail sales volumes of the Group's products to consumers are not maintained at a satisfactory level or if distributor orders fail to track consumers' demand, the Group's distributors may not place orders for new products, may decrease the quantity of their usual orders or may ask for discount on the purchase price. The occurrence of any of these factors may result in a significant decrease in the retail sales volume of the Group's products and therefore adversely affect its business, financial condition, results of operations and prospects.

Consolidation of customers or the loss of a significant customer could negatively impact the Group's sales and profitability.

The Philippine retail market has historically been highly fragmented and dominated by numerous traditional neighborhood stores, groceries and traditional wet markets, which service limited geographical areas. In recent years, larger supermarkets and e-commerce platforms have begun to gain market share in the Philippines which may result in the decline in the number of neighborhood stores, groceries and traditional wet markets. For the year ended December 31, 2020, the Group's top three customers were Puregold, Suy Sing and Robinson's, and sales to them represented 10.3%, 4.4% and 3.6% of the Group's total sales in the Philippines, respectively. Some other countries where the Group sells its products have experienced similar trends. There is a risk that the Group's businesses may become concentrated in fewer, larger customers, which could increase the relative bargaining power of these customers. Therefore, the Group's continuing ability to further strengthen existing relationships with current customers and to establish relationships with new customers is essential for the Group to sell its products on reasonable terms and on a continuing basis. There can be no assurance that supermarkets, e-commerce platforms or one of other larger customers will not exert downward pressure on wholesale prices of the Group's products, which could negatively impact the Group's sales and profitability. Upon these customers becoming more significant, loss of any of them could also negatively impact the Group's business, financial condition and results of operations.

The Group may fail to maintain its brand image, and its brand image and reputation may be diminished due to real or perceived quality or health issues with its products.

The Group is reliant on its brand image to market and sell its products and the success of its business depends on its ability to maintain and enhance the brand image and reputation of its existing products and develop and maintain a favorable image and reputation for new products. The Group owns a number of proprietary brands leading in their respective markets, for example *Lucky Me!* for instant noodles, *SkyFlakes*, *Fita*, *Nissin* and *M.Y. San Grahams* for biscuits, and *Quorn* and *Cauldron* for meat alternatives. See "*Industry Overview*" on page 104, "*Business — APAC BFB Business — Products and Brands"* on page 201, and "*Business — Meat Alternative Business – Quorn Foods — Products and Markets"* on page 236 for details about the Group's brands. The image and reputation of the Group and the Group's products may be negatively affected in the future by several factors, such as concerns about quality or health effects of the products. The Group believes that it adheres to the best-in-class quality management and control standards for both its APAC BFB Business and Meat Alternative Business; however, claims about the quality or health issues, even if unfounded, could greatly affect or diminish the brand image and reputation of the respective product and the Group as a whole and divert substantial resources and management attention from the Group for remedial actions which may not be as effective as anticipated or at all. See "*— Food safety or food-borne illness incidents, product contamination or advertising or product mislabeling may materially and adversely affect the Group's business by exposing it to lawsuits, product recalls or regulatory enforcement action*" on page 55. The Group's brand image and reputation could also be harmed by labor disputes, legal and regulatory proceedings, as well as its major suppliers, distributors, customers and other third parties it collaborates with. An event or series of events that materially damages the reputation of the Group or one or more of its brands could have an adverse effect on the Group's business. Restoring the image and reputation of the Group and its products may be costly and difficult to achieve.

The Group seeks to maintain, extend and expand its brand image through marketing initiatives, including advertising and consumer promotions, maintaining high product quality and product innovation. The success of

such efforts depends on the Group's ability to adapt to a rapidly changing media environment, including the increasing reliance on social media and online dissemination of advertising campaign. The success also depends on the Group's ability to understand the international markets where it aims to expand its presence, since each market has its own industry competitive landscape and consumer preferences. If the Group is unsuccessful in maintaining, extending and expanding its corporate brand image or the brand image of its products, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

Food safety or food-borne illness incidents, product contamination or advertising or product mislabeling may materially and adversely affect the Group's business by exposing it to lawsuits, product recalls or regulatory enforcement action.

The sale of consumer food products involves a number of reputational, regulatory, legal and other risks in relation to food safety and quality. The Group's success is highly dependent upon customers' perception of the quality of its products and its business could be adversely affected by the actual or alleged contamination or deterioration of its products. The Group has in place food safety management systems and built-in quality control principles and has been awarded multiple quality management accreditations. For details, see "*Business — APAC BFB Business — Quality and Safety Assurance"* on page 225 and "*Business — Meat Alternative Business – Quorn Foods — Quality Control, Health, and Safety"* on page 248. The Group also prides itself on not having had a regulatory product recall with respect to its APAC BFB Business in the past ten years. However, there can be no assurance that the Group's food safety management and quality assurance will prove to be effective at all times, or that the Group can identify any defects in the food safety management and quality assurance systems in a timely manner. The Group voluntarily recalled certain of its Quorn products in the past due to potential contamination. While these instances of product recall were not mandated by regulatory authorities and did not result in any litigation or material cost to the Group, there can be no assurance that in the future the Group will not be required to recall any of its products, or be subject to any litigation with respect to such recalls. In addition, the products may be tagged unfit for consumption due to contamination of ingredients, delays in delivery, poor handling, packaging rupture, poor condition of storage facilities of distributors or retailers, or unauthorized tampering by distributors, retailers or third parties during the transit of the products.

Moreover, the Group has in the past been subject to claims about its advertising and product mislabeling with respect to its Quorn products and may be subject to such claims in the future. Certain of these claims have resulted in lawsuits against the Group, in respect of which the Group has been required to dedicate management and financial resources. See "— *The Group has been involved in certain legal proceedings, and could be subject to legal or regulatory proceedings or commercial or contractual disputes from time to time in the future, which could have a material adverse effect on its business, results of operations, financial condition and prospects*" on page 62. Any claim about food safety, food-borne illness, product contamination or advertising or product mislabeling with respect to the Group's products may lead to reputational damage, reduced sales, liability claims, product recalls and investigation and imposition of penalties or fines by the relevant regulatory authorities. Any such incidents could materially harm the Group's business, results of operations, financial condition and prospects.

The Group's business may be adversely affected by changes in consumer preferences and it may not be successful in improving existing products or introducing new products into the market.

A key part of the Group's strategy is to continuously develop and launch new products, while maintaining or increasing demand for its existing products. For details, see "*Business — Research and Development*" on page 210. The success of the Group's strategy depends on the acceptance of its new and existing products by consumers. Consumer preferences may shift for a variety of reasons, including changes in international, national, regional and local economic conditions; culinary, demographic and social trends; and leisure activity patterns or consumer lifestyle choices, and these trends are not easy to identify and extremely difficult to predict.

Despite the Group's efforts, there can be no assurance that any new products or change of existing products will generate the anticipated consumer interest, projected revenues or market share. Any failure to predict, identify or react to the changing consumer preferences could result in a decrease in the Group's sales, a decline in the market

share of its products, or erosion of its market share and financial position. This could in turn lead to the Group's inability to recover its research and development, production and marketing costs and costs of inorganic expansion, thereby materially and adversely affecting its business, financial condition, results of operations and prospects.

If the Group is not able to continue to innovate, its results of operations and prospects will be adversely affected.

The Group's ability to compete successfully depends heavily on its ability to use technologies and continue to introduce innovative new products in a timely manner to the marketplace. The Group's competitors, whether global, regional or local, have been putting significant efforts in making innovations such as introducing products with new ingredients, tastes, appearances and packaging and application of new production processes and technologies to improve product quality and manufacturing efficiency and save costs. To enhance its competitive advantage, the Group has been continuously developing and launching new products, such as the ongoing development of new instant noodle products, biscuit products and Quorn products, while improving its existing products. See "— *The Group's business may be adversely affected by changes in consumer preferences and it may not be successful in improving existing products or introducing new products into the market*" on page 55. However, the Group may not be able to launch new products that meet consumer needs and expectations, or develop or apply new technologies that keep up with its competitors, especially in the meat alternatives industry which is more driven by technological innovations. See "— *Risks relating to the Group's Meat Alternative Business — New technologies may disrupt the Meat Alternative Business or meat producers might develop new products such as meat/soy-based products and take market share from consumers*" on page 70. The occurrence of any of these circumstances may hinder the Group's growth and its ability to compete and, as a result, reduce its market share. As a result, the Group's business, results of operations, financial condition and prospects would be materially and adversely affected.

The Group's business, financial condition and results of operations have been and may continue to be adversely affected by the COVID-19 pandemic.

The World Health Organization declared COVID-19 a pandemic in March 2020. The outbreak of the COVID-19 pandemic has delivered a global economic shock, leading to adverse repercussions across local, regional and global economies, financial markets, industries and businesses. It has adversely affected the Philippines and the U.K., which are the Group's principal places of business and major markets, and other countries/regions where the Group conducts its business, such as Thailand, the EU and the United States, and in turn adversely affected the Group's business. The governments of many countries have reacted by instituting lockdowns, business shutdowns, quarantines and restrictions on travel. For example, in the Philippines, on March 13, 2020, the President of the Philippines imposed stringent social distancing measures in the National Capital Region effective March 15, 2020, and on March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six months and imposing an enhanced community quarantine throughout the island of Luzon until April 12, 2020, unless earlier lifted or extended. Social distancing, travel restrictions, quarantine, suspension and closure of business, lockdown and other restrictive measures were later extended, re-implemented or strengthened multiple times in the Philippines in 2020 and 2021. Similar restrictive measures have also been implemented in the U.K. repeatedly and for a prolonged period in aggregate. Recently on January 4, 2021, the Prime Minister of the U.K. announced a new national lockdown for England until at least mid-February to combat a fast-spreading new variant of COVID-19, even as the country ramped up its vaccination program. On February 22, 2021, the Prime Minister of the U.K. announced the government's roadmap to cautiously ease lockdown restrictions in England and the removal of all legal limits on social contact are not expected to happen before June 21, 2021. Such actions have not only disrupted businesses but also have had a material and adverse effect on industries and local, regional and global economies, including the economies of the Philippines, the U.K., and other countries where the Group conducts its business.

The COVID-19 pandemic has in the past affected and may in the future continue to affect the food industry and the Group's business in a number of ways, including;

- economic recessions, and the consequential decrease of consumers' purchasing power and their consumption of the Group's products as well as the potential increase of customers' credit risk;

- travel restrictions, quarantines and social distancing measures including the closure of supermarkets, stores, wet markets, restaurants and other businesses, which in turn led to a negative impact on the Group's sales;

- disruptions in supply chains and routes to market, or those of the Group's suppliers and/or distributors, which could result in an increase in the Group's costs of production and distribution;

- regulatory restrictions, safety protocols and heightened sanitation measures resulting in increases of operational costs and reductions in levels of activities at certain production sites and offices or full closure of production sites; and

- postponement and cancellation of certain of the Group's operating and development plans.

Although the Group experienced a sales bump in some of its products such as instant noodles and Quorn products during the COVID-19 pandemic primarily due to consumers' panic buying and increasing awareness of environmental protection, sales of some of the Group's other products, such as biscuits, nonetheless decreased since consumers prioritized essentials, and consumption occasions were affected by restricted mobility, including the closure of schools. The Group's operations in the Philippines were also disrupted for two weeks at the initial stage of lockdown, primarily due to the restrictions on employees' traveling to workplaces. As the situation evolves, the full extent of the impact of the COVID-19 pandemic on the Group's business remains uncertain and will depend on a range of factors which the Group is not able to accurately predict, including potential mutations of the virus, the duration, severity, potential recurrence and scope of the pandemic, the speed and effect of vaccination of the population, and the nature and severity of measures adopted by governments. It is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession extending well beyond early 2021. To the extent the COVID-19 pandemic adversely affects the Group's business, financial condition, cash flows and results of operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section. In addition, the sales bump in instant noodles and Quorn products may not last during the ongoing COVID-19 pandemic and may not happen again after the COVID-19 pandemic.

The Group may not be successful in implementing its expansion strategy, including plans to increase sales volume, acquire customers cost-effectively and expand distribution network, and international operations.

The Group intends to acquire more customers and increase the sales volume of its business through, among others, the introduction of new products, improvement of existing products, expansion of production capacity, entry into new product segments to broaden product offering, expansion of distribution network and possible acquisitions of or joint ventures or alliance with other food and beverage businesses. The Group intends to expand its business internationally, and with the presence of its APAC BFB Business products in over 50 countries, the Group aims to duplicate its local leadership in the international arena. The Group is implementing an export strategy to, in the near future, increase its exports of instant noodles, biscuits and baked goods, culinary aids and other products of its APAC BFB Business to existing markets in North America, Europe, the Middle East, and Asia, and expand to new markets where the Group does not have a presence which include, among others, Japan, Indonesia, Vietnam, Myanmar and North Africa. Meanwhile, with respect to the Meat Alternative Business, the Group aims to defend its leading position in the U.K., enhance its presence and market position in the U.S., and expand its Quorn products into new global markets such as Asian countries and certain European countries where the markets are less mature.

The Group intends to continue to expand its global footprint and enter into new markets. International operations involve a number of risks, including foreign regulatory compliance, tariffs, taxes and exchange controls, economic downturns, inflation, foreign currency fluctuations and political and social instability. Expansion may involve expanding into countries other than those in which the Group currently operates. The food and beverage industry is highly competitive and there may already be many established business competitors in the Group's target

markets and the Group may not have any competitive advantage. It may also involve expanding into less developed countries, which may have less political, social or economic stability and less developed infrastructure and legal systems. In addition, it may be difficult for the Group to understand and accurately predict taste preferences and purchasing habits of consumers in these new geographic markets. It is costly to establish, develop and maintain international operations and develop and promote the Group's brands in international markets. As the Group expands its business into other countries, the Group may encounter regulatory, legal, personnel, technological and other difficulties that increase its expenses and/or delay its ability to become profitable in such countries, which may have a material adverse effect on its business and brand.

The implementation of the Group's expansion strategy may face uncertainties and risks and there can be no assurance that it will be successful in implementing these initiatives or that such implementation would result in an increase in income. There is also no assurance that acquisitions made or joint ventures or alliances entered into as part of these expansion plans would be successfully integrated into the Group's operations or would not result in unexpected contingent liabilities or other financial or legal exposure. Moreover, as the Group intends to expand internationally, there could be unforeseen difficulties related to entering geographic regions or markets where it has limited or no prior experience, and the Group may thus incur losses. Any of these adverse events could have a material adverse effect on the Group's liquidity, financial condition and results of operations.

Failure by the Group's logistics providers to deliver its supplies or products on time, or at all, could result in lost sales and claims for compensation.

The Group relies mainly on third-party logistics providers to transport its supplies for its manufacturing and its products for the distribution to customers. The Group has engaged logistics providers in various countries such as the Philippines, the U.K., Thailand, and other countries where the Group operates. Delivery disruptions by third-party logistics providers may occur for various reasons beyond the Group's control, including transportation bottlenecks such as those in relation to infrastructure hindrances, movement restrictions due to the COVID-19 pandemic, inclement weather, earthquakes and other natural disasters, vehicle breakdown, labor strikes and political events, and may lead to delayed or lost deliveries. In addition, poor handling by the third-party logistics providers may also cause damage to the supplies or products. The Group has in the past experienced disruptions to its importation of seasonings into the Philippines for reasons such as capacity constraints in the ports of Manila and it may in the future experience similar disruptions to transportation of its supplies. Such disruptions may result in higher costs if the Group is compelled to choose more expensive means of transportation such as airfreight or may even disrupt its production. Meanwhile, if the Group's products are not delivered to its customers on time, or are delivered damaged, due to torn or broken packaging or exposure to extreme humidity or heat affecting the quality of its products, the Group may have to pay compensation, lose business and suffer harm to its reputation. Furthermore, the Group may not successfully renew existing agreements or may have contractual disputes with the logistics providers, and the Group may not be able to find alternative or new providers to meet increased demand of supplies or increased customer demand in the future. Any of these adverse events could adversely affect the Group's business, financial condition, results of operations and prospects.

In addition, there can be no assurance that the Group will be able to effectively coordinate its logistics strategy to the degree necessary for the realization of its growth plans. As the Group continues to expand, it needs to secure sufficient logistics providers. Failure to establish an efficient and reliable logistics network could have an adverse effect on the Group's expansion plans, operating costs and results of operations.

The Group may not be able to protect its intellectual property adequately, which may harm its brands and its business.

The Group's commercial success depends on its ability to successfully manage and defend its intellectual property, including know-how, trade secrets, customer lists and domain names, and to obtain intellectual property protection for its products, brands, processes and technologies where appropriate, including through the use of trademarks and patents. If the Group is unsuccessful in maintaining the confidentiality of this information, for example through confidentiality and non-disclosure agreements with employees, suppliers and customers, third parties

could use this information to produce their own versions of the Group's products and undermine the Group's competitive advantage.

The Group has, in many of the jurisdictions where it operates business or sells products, been granted trademark registrations covering some of its brands and products and patent registrations covering its technologies primarily relating to its Meat Alternative Business and it expects to continue to apply for trademarks and patents. Where it does choose to make such applications, the Group cannot be sure that such registration will be issued. There is also a risk that it could, by omission, fail to make a trademark or patent application or renew a trademark on a timely basis or that its competitors may challenge, invalidate or circumvent any existing or future trademark or patent issued or licensed to the Group. For example, the Group submitted a patent application in respect of the use of calcium salts in manufacturing vegetarian mycoprotein products in Australia and Japan. In an attempt to restrict or prevent the grant of such patents, an anonymous third party filed "third party observations" against the Group's patent applications. As of the date of this Prospectus, the application objections remain unresolved. There can be no assurance that the third party's opposition of the Group's application will be denied, or the Group's patent applications will be granted, or that the Group's existing and future patents will not be subject to additional challenges or opposition in the future.

In addition, other companies may independently develop products or technologies similar to the Group's or independently duplicate the Group's products or technologies or the Group may not be able to renew expiring patents. The Group may also face allegations that it has infringed the intellectual property rights of a third party.

The Group has also been and may in the future continue to be subject to counterfeiting and imitations which may pass off other products as the Group's or somehow linked to the Group. Some imitations which erode the Group's market share may not be held by the courts, regulatory authorities or other adjudicators as trademark or patent infringement, or enforcement against the imitators may not be feasible or cost-efficient even if there is a judgment or decision favorable to the Group, or there may be too many counterfeiters or imitators for the Group to monitor and take action against. For example, the Group is involved in ongoing litigation covering registration for its trademarks with the Philippine Intellectual Property Office which was opposed by third parties. As of the date of this Prospectus, the oppositions remain unresolved. There can be no assurance that the third party's opposition of the Group's trademark will be denied, the Group's trademark will be granted, or that the Group's existing and future trademarks will not be subject to additional challenges or opposition in the future.

Although the Group believes it has taken appropriate measures to protect its portfolio of intellectual property rights (including its know-how and trade secrets), there can be no assurance that such measures will be sufficient or that third parties will not infringe upon or misappropriate its intellectual property. Moreover, some of the countries in which it operates business or sells products offer less efficient intellectual property protection compared to developed countries such as the U.K. Furthermore, as the Group aims to expand into new markets, its iconic brands may not be famous or even recognizable among the public in those markets, which may make the Group's intellectual property protection or anti-counterfeiting actions more challenging.

Any failure by the Group to protect its intellectual property against infringement or misappropriation or to successfully defend itself against allegations that it has infringed the intellectual property rights of a third party could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Acquisitions, joint ventures and other alliances, especially cross-border ones, may fail to realize synergies and may result in adverse consequences.

The Group has in the past entered into acquisitions of, and joint ventures with, third parties in the food industry. For example, the Group has undertaken a few acquisitions and joint ventures such as (i) acquisition of Nudie Foods, a leading chilled juice producer in Australia, in 2014; (ii) acquisition of Menora Foods, a leading food marketing and distribution business in Australia, in 2015; (iii) acquisition of Quorn, a global leading meat alternatives producer based in the U.K., in 2015; (iv) joint venture with Sarimonde Foods, a leading fresh bread producer in Indonesia, in 2016; and (v) joint venture with Malee Beverages, a leading juice and canned fruit

manufacturer in Thailand, in 2015. The Group has also entered into strategic alliances with Dutch Mill and Mama Sita's to act as their marketer and distributor. See "*Business — APAC BFB Business — Key milestones*" on page 200 and "*Business — Meat Alternative Business – Quorn Foods — History and Milestones*" on page 231 for details about the Group's past acquisitions, joint ventures and alliances. The Group may in the future enter into new acquisitions, joint ventures and alliances to expand its business.

Acquisitions, joint ventures and alliances may subject the Group to a number of risks, including unforeseen operating difficulties and integration costs, increased financing costs, reduced cash flow and liquidity, diversion of financial and management resources from the Group's existing operations, inability to retain key resources in acquired companies, assumption of liabilities or other financial or legal exposure which are not sufficiently quantified or are unrecognized during the due diligence prior to the acquisition, joint venture or alliance or out of the Group's control, risks associated with sharing proprietary information, and a reduction or loss of control of operations that are material to the Group's business. In addition, the Group may also encounter unforeseen difficulties associated with cross-border transactions, relating to entering geographic regions or markets where it does not have prior experience. For example, the Group ceased to act as distributor for Kellogg's and Pringles due to lack of commercial viability, and divested itself of all of its holdings in Monde Nissin (Australia) Pty. Ltd. (**MNA**) due to continuous loss making by this former subsidiary of the Company. MNA held the businesses of Black Swan (a dip and Greek yogurt producer), Nudie Foods (a juice producer) and Menora Foods (a dip and rice cracker producer), three Australian businesses the Group acquired in 2014, 2015 and 2015, respectively. Furthermore, if an acquisition or investment turns out to be unsuccessful, the Group may need to significantly impair the goodwill and brand value realized as a result of such acquisition or investment, and its net tangible assets could be significantly reduced or even become negative. Any of the above-mentioned adverse circumstances may cause the Group's failure to realize anticipated synergy or other benefits, and could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group does not own land in the Philippines and only operates on leased land.

The Philippine Constitution and related statutes restrict land ownership to "Philippine Nationals," a term defined under Republic Act No. 7042. As of the date of this Prospectus, the Company does not qualify as a Philippine National and is thus prohibited from owning land in the Philippines. The Company and its subsidiaries, therefore, conduct business on leased premises in the Philippines, of which some are leased from unrelated third parties and others from Monde Land, Inc. (**MLI**) and Monde Rizal Properties, Inc. (**MRPI**), two associates of the Company. As of the date of this Prospectus, 40% of the shares in MLI were owned by KBT International Holdings, Inc., a subsidiary of the Company, and 60% were owned by some of the Company's shareholders and their children. As of the same date, 60% of the shares in MRPI were owned by MLI and 40% were owned by My Crackers, Inc. which is a shareholder of the Company. Although the Group makes efforts to maintain harmonious relationships with its lessors, there can be no assurance that disputes would not arise between the Group and its lessors, nor can there be any assurance that its lessors would agree to renew the lease agreements upon their expiry at reasonable prices and terms, or at all. Although the interests of MLI are aligned with the interests of the Group to some extent, a dispute between them or a refusal to renew the lease agreements by MLI may nonetheless occur. If any substantive dispute occurs between the Group and its lessors and the Group is unable to resolve the disputes in a timely manner, or if any of its lessors refuse to renew the lease agreements upon expiry and the Group is unable to find alternative premises in a timely manner and at reasonable costs, the Group's operations in the Philippines may be disrupted and its business, results of operations and financial conditions may be adversely affected.

The Group is a party to a number of related party transactions which may expose the Group to transfer pricing risk.

The Group has significant commercial transactions with certain companies controlled by its principal shareholders, including loans, trade sales and purchases, logistics and distribution, and lease of land, among others. The Group's related party transactions are described in greater detail under "*Related Party Transactions*."

The Group expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with its principal shareholders. These transactions may involve potential conflicts of interest

which could be detrimental to the Group. Although the Group's practice is to enter into contracts with affiliated companies on appropriate arm's length terms and conditions, there is no assurance that the Group's related party transactions will not adversely affect the Group's business, results of operations, financial condition and prospects. The Group is subject to transfer pricing regulations, and tax authorities of the Philippines, the U.K., Thailand, the U.S. and other relevant countries may determine that certain related party transactions are not conducted on an arm's length basis, which could result in adjustments that could have a material adverse effect on the Group's operational and financial performance.

The Group has been subject to transfer pricing inquiries in the past, including in respect of the shareholder debt advanced by Monde Nissin Singapore Pte. Ltd. to Monde Nissin (UK) Limited, and the Group, as of the date of this Prospectus, is in the process of responding to certain outstanding inquiries. The Group may be subject to further transfer pricing inquiries or unfavorable findings in the future, which may require the Group to exert management and financial resources to defend or address such claims. The Group may suffer penalties imposed by tax authorities for violations of transfer pricing regulations.

The Group is exposed to customer credit risk, and payment default of the Group's customers could have a material adverse effect on its financial condition, results of operations and liquidity.

The Group is exposed to the credit risk of its customers, and defaults on material payments owed to it by customers could significantly reduce its operating cash flows and liquidity, as well as have a material adverse effect on its financial condition and results of operations. Some of the Group's customers could also experience cash flow difficulties or become subject to liquidation that could in turn lead to the Group being unable to collect payments or experiencing long delays in collection of payments, if at all. As of December 31, 2018, 2019 and 2020, the Group's trade receivables were ₱7,777 million, ₱7,556 million and ₱6,473 million. Trade receivables pertain to receivables from the sale of goods and are non-interest bearing and are generally on 30 to 60-day terms. The Group's trade receivable days were 37 days for the year ended December 31, 2020. There is no assurance that the Group's exposure to the risk of delayed payments from its customers or defaults in payment by its customers will not increase, or that the Group will not experience losses or cash flow constraints as a result. If any of these events were to occur, these could have a material adverse effect on the Group's financial condition, results of operations and liquidity.

The Group may require additional financing to support its operations and expansion, and a failure to obtain such necessary capital on acceptable terms in a timely manner, or at all, may force the Group to delay, limit, reduce or terminate certain product manufacturing or development, other operations, or its expansions.

The Group believes it has available sufficient working capital to meet its present requirements for continuous operations. The Group may, however, require additional cash resources to finance its continued growth or other future developments, including any investments or acquisitions it may decide to pursue. To the extent that the Group's funding requirements exceed its financial resources, it will be required to seek additional financing or to defer planned expenditures, investment, acquisitions and other expansions. There can be no assurance that the Group can obtain additional funds on acceptable terms, or at all. In addition, the Group's ability to raise additional funds in the future is subject to a variety of uncertainties, including, but not limited to:

- its future financial condition, results of operations and cash flows;
- general market conditions for capital raising and debt financing activities; and
- economic, political and other conditions in the Philippines, the U.K. and elsewhere.

Furthermore, if the Group raises additional funds through equity or equity-linked financings, the Offer Shares in the Company may be diluted. Alternatively, if the Group raises additional funds by incurring debt obligations, it may be subject to various covenants under the relevant debt instruments that may, among other things, restrict the Company's ability to pay dividends or obtain additional financing. Servicing debt obligations could also be burdensome to the Group's operations. If the Group fails to service its debt obligations or is unable to comply

with any of these covenants, it could be in default under these debt obligations and its liquidity and financial condition could be adversely affected.

Labor disputes, including grievances which may lead to strikes, or changes in employment laws may disrupt the Group's operations and could adversely affect the Group's business, results of operations, financial condition and prospects.

The Group is subject to a variety of national and local laws and regulations in the Philippines, the U.K. and other jurisdictions where the Group operates, including those relating to labor.

Some of the Group's employees are members of labor unions from its operations in the Philippines, the U.K., and Thailand. A labor union may serve as the collective bargaining representative of the relevant bargaining unit and negotiate collective bargaining agreements with the Group. The economic provisions of the existing collective bargaining agreements are renegotiated every few years depending on the regulations in each jurisdiction. The Group generally considers its labor relations to be good and harmonious. The Group has experienced in the past pickets by employees of its third-party service providers, labor disputes, and threats to strike. Furthermore, the Group is involved in several ongoing labor cases with some individuals, primarily in relation to (i) employees of third-party service providers claiming to be employees of the Group, and (ii) former probationary employees of the Group claiming to be illegally dismissed. Although in the Group's view, none of the pickets, labor disputes and ongoing labor cases would materially affect its business, there can be no assurance that the Group will not experience more pickets, labor disputes or labor cases. Neither can there be any assurance that the Group will not experience unrest, activism, strikes or difficulty negotiating collective agreements or will be able to resolve the disputes and difficulties in a timely manner, some of which may be significant and could result in severe disruption of operation and reputational damage.

Various labor laws govern the Group's relationship with its employees and affect its operating costs. These laws include minimum wage requirements, mandatory health benefits, overtime compensation, and other terms and conditions of employment. There can be no assurance that significant changes in such laws that will materially increase the Group's costs would not happen in the future. Significant changes in labor laws, for example, in respect of outsourcing services to third-party service providers, could materially affect the Group's business, financial condition, operating results or cash flow. The Group has in the past engaged third-party service providers and has engaged workers employed by those providers in its operations and the Group may continue such practices in the future. Engagement of third-party service providers carries certain inherent risks, including potential actions from employees of third-party service providers who may claim an employee-employer relationship with the Group and the risk that third-party contracting arrangements in place may be found by regulatory authorities such as the Department of Labor and Employment of the Philippines to be "labor-only contracting," which could have a significant impact on labor costs. For example, the Group and some its Directors and Officers have been impleaded in certain labor cases filed by employees of third-party service providers who claim employer-employee relationship with the Group, as impleading directors and senior management members is common in labor cases in the Philippines. The Group is also exposed to litigation risk from employees of the Group's various third-party service providers, who may implead the Group as party to their labor cases and labor disputes against these third-party service providers.

Materialization of any of the risks above could adversely affect the Group's business, results of operations, financial condition and prospects.

The Group has been involved in certain legal proceedings, and could be subject to legal or regulatory proceedings or commercial or contractual disputes from time to time in the future, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group has in the past been and may in the future be involved in legal proceedings in the ordinary course of business operations. For example, in 2015, a claim was brought against Quorn Foods, Inc. in California in which it was alleged that a Quorn product was the cause of death of an 11-year-old boy in June 2013. Quorn Foods, Inc. is a subsidiary of Marlow Foods Limited and the operating entity for the Meat Alternative Business in the United

States. In July 2018, Quorn Foods, Inc. and the plaintiff (i.e. the child's family members) entered into a settlement agreement to settle the claims without any admission of liability for any of the plaintiffs' claims on part of Quorn Foods, Inc. Further, in 2016, a class action lawsuit was brought in California against Quorn Foods, Inc. for alleged mislabeling of its Quorn products between January 2012 and December 2016. The lawsuit was eventually settled in October 2017 and the class claims period has expired. However, in connection with the settlement, Quorn Foods agreed to include an allergy warning label on all of its Quorn products sold in the U.S. See also "— *Risks related to the Group's Meat Alternative Business — Allergen claims, founded or unfounded, linked to the consumption of mycoprotein or other ingredients could lead to legal expense, result in negative perception of Quorn and Cauldron products and have an adverse effect on the brands, reputation and operating results of the Meat Alternative Business*" on page 69. There can be no guarantee that similar lawsuits or allegations will not be brought or made against any member of the Group in the future or that, if any lawsuits are brought, it will be possible to settle such disputes out of court.

Plaintiffs in such types of lawsuit often seek recovery of very large or indeterminate amounts, and defending such litigations may divert resources and management attention away from the Group's operations. Moreover, media coverage may cause severe damage to the Group's brands and reputation. As a result, the magnitude of the potential loss relating to such lawsuits may be difficult to accurately estimate. In addition, the Group may also encounter investigation and proceedings by regulatory authorities and commercial or contractual disputes in the future. Any legal or regulatory proceedings, or commercial or contractual disputes in the future may result in monetary and reputational damages and have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group depends on the continued service of its management team.

The Group is, and will continue to be, dependent on the continued service of its management team, including the senior management team of the Company whose details are set out in "*Board of Directors and Senior Management*," as well as the management team of each subsidiary, joint venture, associate and functional department. The Group's management team is critical to its success and the loss of the services of any key member of the team, including Mr. Henry Soesanto, the Chief Executive Officer of the Company, could materially impair the Group's operations and impede the execution of its strategies. The Group does not carry key person insurance and may not be able to replace members of its management within a reasonable period of time or with a person of equivalent expertise and experience, which could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

If the Group is unable to attract, train and retain employees, it may not be able to grow or successfully operate its business.

The Group intends to hire and retain qualified employees and also train and improve its employees to support its business operations and planned expansion. The Group's future success depends, to a significant extent, on its ability to recruit, train and retain qualified personnel, particularly technical, marketing and other operational personnel with experience in the food and beverage industry. The Group's experienced mid-level managers are instrumental in implementing its business strategies, executing its business plans and supporting its business operations and growth. The effective operation of the Group's managerial and operating systems also depends on the hard work and quality performance of its management and employees. Moreover, employees with research and technological capabilities are crucial for the Group's developing new products and improving existing products. While the Group has succession planning plans and training programs to support future leaders, there can be no assurance that the Group will be able to attract or retain, at reasonable costs, qualified staff or other highly skilled employees necessary for the Group to achieve its strategic objectives. In addition, the Group's ability to train and integrate new employees into its operations may also be limited and may not meet the demand for its business growth in a timely fashion, or at all, and rapid expansion may impair the Group's ability to maintain its corporate culture. Furthermore, some talents in research and technologies are extremely important and difficult to replace and, if any of those talents stop working for the Group, the Group's business could be materially and adversely affected. Any of these adverse circumstances could negatively impact the Group's business, financial condition, results of operations and prospects.

The interests of certain significant shareholders of the Company may differ from those of other shareholders.

The Group is a family-controlled business. Certain of the Company's existing shareholders will continue to have significant shareholdings in, and influence over the management of, the Company; see "*Principal and Selling Shareholder*" on page 280. There can be no assurance that the interests of such shareholders will align with those of other shareholders of the Company.

Cybercrime or information technology failures could disrupt the Group's operations.

There is a global threat of significant and increasingly sophisticated cyber-attacks including phishing, ransomware, malware and social engineering. These attacks may result in information technology systems being compromised, confidential data being accessed and/or theft of intellectual property or other assets.

The Group is increasingly reliant on a robust information technology infrastructure to process, transmit and store electronic and financial information, and to manage a variety of business processes and activities with respect to all companies in the Group. As with all corporate information systems, the Group's information systems may be vulnerable to a variety of interruptions due to events beyond its control, including, but not limited to, natural disasters, terrorist attacks, hardware failures, cybercrime and computer fraud risk. The Group depends on information technology to enable it to operate efficiently and interact with customers, as well as to maintain in-house management and control of its operations. Such reliance on information technology has significantly increased during the COVID-19 pandemic and such increased reliance is expected to remain after the pandemic.

If the Group fails to allocate, and effectively manage, the resources necessary to build and maintain an adequate and secure technology infrastructure, it could be subject to transaction errors, processing inefficiencies, loss of customers, business disruptions, or the loss of or damage to intellectual property through security breaches. If the Group's security measures are breached as a result of actions of a third party, this could result in unauthorized access to proprietary and confidential information, which could disrupt the Group's business processes and harm its reputation.

Any successful cybercrime attacks or other disruption to the Group's information technology systems could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's current insurance coverage may not be adequate, insurance premiums for such coverage may increase and it may not be able to obtain insurance at acceptable rates or at all.

The Group maintains certain insurance coverage over, among others, certain of its equipment, land premises, cargos and warehouse stock of raw material and products, product liabilities, potential liabilities of the directors and officers and injuries to the employees. See "*Business — APAC BFB Business — Insurance"* on page 218 and "*Business — Meat Alternative Business — Quorn Foods — Insurance"* on page 248 for details. However, the Group's current insurance may not provide adequate levels of coverage and it may not be fully insured against, and insurance may be unavailable for, losses caused by accidents, natural disasters, disease outbreaks, social unrest, breakdown of major facilities or other events that could affect the facilities and processes used by the Group's business. For example, the Group does not carry general business interruption insurance in the Philippines. Any losses caused by events against which the Group is not fully insured could result in a decline in production, adverse publicity, and significant expenditure of resources to address such losses. In addition, the Group's insurance premiums in the future may increase and it may not be able to obtain similar levels of insurance on reasonable terms, or at all. Any of such events or any substantial inadequacy of, or inability to obtain insurance coverage could materially and adversely affect the Group's business, financial condition and results of operations.

Predicting the Group's future performance on the basis of its past performance or market forecast involves risks.

Predicting the Group's future performance on the basis of its past performance could be risky. The Group's performance could be affected by a variety of factors such as the market condition, consumer preferences, market

competitive landscape, macroeconomic conditions, development of technologies, and the Group's internal structure, business strategy, operational capabilities and constraints, corporate culture and employee performance, and such factors could change significantly over time. Moreover, the Group's revenues and earnings may fluctuate seasonally and also as a result of its promotional activities or special circumstances. For example, the Group's wet pouch noodles sales perform better during the wet season. The Group also experienced a sales bump in some of its products during certain periods of the COVID-19 pandemic, triggered by consumers' panic buying coupled with closures of cafes and restaurants during lockdown. However, such sales bumps may not repeat in the future.

Any estimates of market opportunities and forecasts of market growth in "*Industry Overview*" or other sections of this Prospectus may not be a reliable basis for accurate prediction either, because they are based on assumptions and may not take into consideration all material influencing factors. Even if the markets in which the Group competes achieve the forecasted growth, the Group's business could fail to grow at similar rates, or at all.

Fluctuations in the exchange rates among the Peso, the Sterling and other currencies could materially and adversely affect the Group's financial condition and results of operations.

The Group's operations involve a number of currencies. The operational costs of the APAC BFB Business are primarily denominated in Peso and Thai Baht and, to a lesser extent, U.S. dollar, Euro and Japanese yen, while sales revenue is collected in the currencies of each market, and certain financing and other expenses are denominated in currencies other than the Peso, including the U.S. dollar. The operational costs of the Meat Alternative Business are primarily denominated in Sterling and Euro, while sales revenue is collected in the currencies of each market, and certain financing and other expenses are also denominated in currencies other than Sterling. Furthermore, financial results of the entire Group will be reported in Peso in the disclosure documents with the PSE after the listing of the Company.

The international financial markets and, in particular, the foreign exchange markets, are unpredictable, and there can be no assurance that the exchange rates among the Peso, the Sterling and other currencies in which any of the Group's business activities is denominated will remain stable. Furthermore, significant fluctuations of exchange rates and potential exchange controls imposed by governments of certain countries may result in the unavailability of adequate amounts of certain currencies necessary for the Group's operations. The occurrence of these conditions may have a material adverse effect on the Group's financial condition and results of operations.

The global geopolitical and macroeconomic environment brings uncertainty which could adversely impact the growth prospects of the Group.

As a global business operating across many jurisdictions, the Group is exposed to changes in the geopolitical and economic environment. Such changes include economic or political instability, increasingly complex legal and regulatory frameworks, currency volatility and varying regulatory standards of food quality and security.

The Group may be adversely impacted by political, economic or social developments in any countries where it has production facilities, application facilities, sales operations or distribution networks. These risks include, but are not limited to, general economic or political downturns, currency exchange rate fluctuations or imposition of foreign exchange controls, government policies, laws or regulations, including increased protectionism affecting import and export duties and quotas or customs and tariffs, international incidents, including war or acts of terrorism and insurgency, global pandemic, government instability and nationalization of assets.

In general, the Group's business is dependent on general economic conditions in its most important markets, including the Philippines, the U.K., Thailand, the United States and the EU, as well as the markets it aims to expand into. The economy in any of these markets failing to recover as forecast, or a significant deterioration in economic conditions globally, including inflationary pressures, disruption to credit or capital markets, social unrest and a reduction in consumer confidence and consumer spending, or geopolitical events that adversely affect cross-border trade and investment such as the Brexit and U.S.-China tensions, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Events such as climate change, severe weather conditions, natural disasters, hostilities, social unrest and health epidemics or pandemics, among others, may materially and adversely affect the Group's results of operations and prospects.

Severe weather conditions, natural disasters, hostilities and social unrest, terrorist activities, health epidemics or pandemics can adversely affect consumer spending and confidence levels and supply availability and costs, as well as distribution and operations in impacted markets, all of which can affect the Group's results of operations and prospects. The Group's receipt of proceeds under any insurance the Group maintains with respect to some of these risks may be delayed or the proceeds may be insufficient to fully cover the Group's losses.

In recent years, climate change has become a global concern and there has been a popular global movement to decrease emission of carbon dioxide and other greenhouse gases. Climate change causes more extreme weather and natural disasters and increasing water and land scarcity. In the Group's operations, it is thus exposed to risks such as scarcity and increased prices of water and land, increased energy costs, difficulties in sourcing supplies of raw materials due to the negative impact of climate change on agricultural productivity, and disruption of operations and logistics. Over the long term, the adverse impact of climate change may worsen.

Risks relating to the Group's APAC BFB Business

The Group's APAC BFB Business faces intense competition from other manufacturers of food and beverage products.

The food and beverage industry, in particular, the food and beverage industry in Asia-Pacific (**APAC**), has become increasingly competitive. The Group's APAC BFB Business, which includes production and distribution of instant noodles, biscuits and baked goods, beverages, dairy products and culinary aids, is facing competition from global giants such as Mondelez and Nestlé, regional leading companies such as Nissin Foods, and Philippine and Thai companies such as Universal Robina Corporation, Republic Biscuit Corporation and Thai President Foods. Competition primarily manifests itself in the form of pricing concessions, rapid new product introduction and intensive advertising campaigns. The Group's competitors may benefit from their larger business scale and financial resources or their special focus on certain product categories, and obtain competitive advantages in terms of costs, product tastes, distribution channels and proximity to consumers, both in the Philippines and to a larger extent, markets outside the Philippines. Small and local competitors may also emerge due to the relatively low barriers to entry into the food and beverage industry. A change in the number of competitors, the level of marketing or investment undertaken by the competitors, or other changes in the competitive environment in the relevant markets may cause a reduction in the consumption of the Group's products and in its market share, and may lead to a decline in its revenues and/or an increase in its marketing or investment expenditures, which may materially and adversely affect its results of operations.

The Group's ability to compete against these enterprises is, to a significant extent, dependent on its ability to distinguish its products by providing high-quality products at reasonable prices that appeal to consumers' tastes and preferences. There can be no assurance that the Group's current or potential competitors will not provide products comparable or superior to those the Group provides or adapt more quickly than the Group does to the evolving industry trends or the changing market requirements. The Group's competitors may even sell comparable or superior products at lower prices, either through more efficient cost management or deep-discount strategies.

The Group's competitors may also consolidate or form alliances to rapidly acquire significant market share, and some of the Group's wholesalers and e-commerce platforms may commence production of products similar to those it sells to or through them. Furthermore, competition may lead competitors to substantially increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing behavior. Increased competition may result in price reductions and loss of market share. If there is a change in the Group's competitors' pricing policies, an increase in the volume of cheaper competing products offered into the regions where the Group operates, and if the Group fails to effectively respond to such actions, it may lose customers and market share and the implementation of its pricing strategy may be restricted, in which case its business, financial condition, results of operations and prospects will be adversely affected.

The Group may not be able to maintain the leading position of its APAC BFB Business in the Philippines.

The Group's APAC BFB Business has a leading position in the Philippines. According to Nielsen, in 2020, the Group ranked first in retail sales value in the Philippines in instant noodles, biscuits, yogurt drinks and oyster sauce, with its sales constituting 68.0%, 30.5%, 73.2%, and 56.0% of the respective retail sales market share in the Philippines, respectively.

The Group's leading market position has enabled it to benefit from a comparatively stronger bargaining power and respond effectively to changing market conditions and competitive pressures, which in turn have contributed to its stable growth and profit margin. However, there can be no assurance that the Group could maintain or increase its competitiveness and market position. Should the Group fail to maintain its leading position relative to other manufacturers in the industry, its financial condition and results of operations may be adversely affected.

The Group's effort to expand its bread business may not be successful.

The Group has recently entered and continues to grow its bread business. The Group believes in the potential of the bread market in the Philippines and other countries. However, the Group may not succeed due to the fierce competition from not only the brand-name competitors, but also the large numbers of neighborhood bakery stores across the Philippines and other countries. To expand its bread business, the Group may need to invest in new production facilities, adopt new technologies, hire more employees, invest more in advertising and make other investments. Should the Group fail to increase sales and grow the market shares of its bread products, as expected or at all, it will incur loss on investments and expenditures and its financial condition and results of operations may be adversely affected.

Any health risks associated with or negative perceptions of products of the APAC BFB Business may affect the Group's brands and profits.

In recent years, there have been negative comments regarding the supposed health risks associated with the consumption of instant noodles, the top-selling product of the APAC BFB Business. Instant noodles are said to be high in sodium, fat and cholesterol, low in fiber, protein and vitamins and contain monosodium glutamate and other harmful additives. Frequent consumption of instant noodles has been reportedly associated with diseases such as obesity, heart diseases and diabetes. Other products of the APAC BFB Business such as biscuits, baked goods, yogurt drinks and culinary aids may also be perceived as ultra-processed and unhealthy.

The Group has been making efforts to maintain the high-quality and health profile of its products, but it may not be able to eliminate the inherit health risks, if any, associated with specific categories of food. If an increasing number of consumers consider certain products of the APAC BFB Business to be unhealthy, the Group's sales and profits may decrease and the Group's business, financial condition and results of operations could be adversely affected.

The imposition of new taxes on food products categorized as "junk food" may directly affect the Group's APAC BFB Business.

The Government has been contemplating the imposition of new taxes for "junk food," similar to the excise tax on sugar-sweetened beverages previously imposed under the Republic Act No. 10963. If imposed, it would be the first time that the definition of "junk food" is prescribed in tax legislation. The prescribed definition may be based on the sodium (salt), sugar, and/or saturated fat contents of a particular food product or the definition may categorize a particular type of food as "junk food" as a whole. Another possibility is that the taxes may be imposed only on food products that are deemed high in sodium.

The Group cannot predict the Government's definition of "junk food." However, there is a risk that some or all of its products under the APAC BFB Business may be categorized as "junk food." A statutory definition, even if only prescribed for tax legislations, may set a precedent for future enactment of other non-tax legislations.

The imposition of the new "junk food" tax on the Group's products may affect the Group's operating margins, which may affect its financial position and operating performance, especially if the Group is unable to immediately pass on such increased cost to consumers. Non-tax related legislations may also affect the Group's ability to freely market and promote the affected products. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. See "— *Regulatory Risks — Certain products in the Group's business are subject to price monitoring by the Government*" on page 74.

The Group's APAC BFB Business is exposed to risks associated with its operations in Thailand.

The Group produces a significant amount of its instant noodle seasoning in Thailand under Monexco International Limited, an indirect subsidiary of the Company. While its operations are in good condition, it is nonetheless subject to risks associated with the economic, political, social and other conditions in Thailand. The Group is also subject to risks of trade disputes and potential imposition of new or higher tariffs between Thailand and the Philippines, especially given that there is an ongoing proceeding with the World Trade Organization between the two countries. If a higher tariff is imposed on the Group's seasoning products from Thailand, then the Group's profits on instant noodle products may decrease or it may have to raise prices and may lose market share. Any of the adverse events above may have a negative impact on the Group's operations in Thailand and the supply chain between Thailand and the Philippines.

Apart from production of seasoning, the Group also manufactures other products of its APAC BFB Business, such as instant noodles and biscuits and aims to ramp up its production capacity in Thailand, increase its sales in Thailand and also position its Thailand operations as an export hub to international markets. As the Group expands its Thailand operations, its exposure to risks associated with the economic, political, social and other conditions in Thailand would increase.

If the Group's operations in Thailand are disrupted due to trade tensions between Thailand and the Philippines or other economic, political or social circumstances in Thailand, the Group's business could be adversely affected. In addition, the Group may have to seek replacement supply and manufacturing capacity in the Philippines, which may result in increased operational costs, additional costs of building new manufacturing facilities and new supply chains and hiring additional employees. Resorting to third-party supply of seasoning also incurs the risk of leaking the Group's unique seasoning formulations if the Group is not able to protect its trade secrets and know-how. As a result, the Group's business, financial condition and results of operations could be adversely affected.

Risks relating to the Group's Meat Alternative Business

The Meat Alternative Business may not be able to compete successfully in its highly competitive market.

The Meat Alternative Business operates in a highly competitive market. Numerous brands and products compete for limited retailer shelf space, foodservice and restaurant customers and consumers. Competition is based on, among others, product quality and taste, brand recognition and loyalty, product variety, interesting or unique product names, product packaging and package design, shelf space, reputation, price, advertising, promotion, environmental and nutritional claims.

The Meat Alternative Business competes with other food brands that develop and sell plant-based protein products, such as Beyond Meat, Impossible Foods, Linda McCartney, BirdsEye, Meatless Farm, Richmond, Naked Glory, Vivera, THIS, Boca, Gardein, and MorningStar Farms. The Meat Alternative Business also competes with traditional meat brands such as Tyson, and with companies which may be more innovative, have more resources and be able to bring new products to market faster and to more quickly exploit and serve niche markets such as lab-grown or "clean meat." Some competitors may even employ a deep-discount strategy to sell at low or no profit margins. The Meat Alternative Business also competes with start-ups which are developing mycoprotein products or other fungi-based products such as Mushlabs, MycoTechnology, Meati Foods, Nature's Fynd (USA), 3FBio, and Mycorena. The Meat Alternative Business competes with these competitors for foodservice and restaurant customers, retailer shelf space and consumers.

Generally, the food industry is dominated by multinational corporations, including conventional animal-protein companies, with substantially greater resources and operations than the Group. Their products are well accepted in the marketplace today, and they may also have lower operational costs and as a result may be able to offer products, including conventional animal meat, to customers at lower costs than meat alternatives. The Group cannot be certain that it will successfully compete with larger competitors that have greater financial, sales and technical resources. Conventional food companies, as well as the leading food retailers and chain restaurants, may in the future acquire or invest in competitors of the Meat Alternative Business, or launch their own plant-based protein products, and they may be able to use their resources and scale to respond to competitive pressures and changes in consumer preferences by introducing new products, reducing prices or increasing promotional activities, among other things. Retailers may also market competitive products under their own private labels, which may be sold at lower prices and compete with Quorn and Cauldron products. Similarly, retailers could change the merchandising of Quorn and Cauldron products and the Group may be unable to retain the placement of Quorn and Cauldron in favorable shelf positions. Competitive pressures or other factors could cause the Meat Alternative Business to lose market share, which may require it to lower prices, increase marketing and advertising expenditures, or increase the use of discounting or promotional campaigns, each of which would adversely affect its margins and could result in a decrease in the operating results and profitability of the Meat Alternative Business and adversely affect the Group's financial condition and results of operations.

Allergen claims, founded or unfounded, linked to the consumption of mycoprotein or other ingredients could lead to legal expense, result in negative perception of Quorn and Cauldron products and have an adverse effect on the brands, reputation and operating results of the Meat Alternative Business.

The Group believes that consumers of the Meat Alternative Business rely on it to provide them with high-quality environmental-friendly protein products. Therefore, real or perceived quality or food safety concerns, whether or not ultimately based on fact, could cause negative publicity and reduced confidence in Quorn and Cauldron products and brands and harm the reputation and sales of the Meat Alternative Business and the Group.

Quorn products are made from mycoprotein, a meat-free source of protein which is produced by fermentation of the fungus *fusarium venenartum* using a glucose stock feed and minerals, and then mixed with other ingredients (primarily egg albumen, whey, other textured proteins, natural flavors, seasonings, coatings, and vegetables). Mycoprotein is relatively unfamiliar to the general public if compared to protein from meat, pea, wheat, soy and other daily consumed agricultural products. Quorn products, as a processed alternative protein source, belongs to a category of food products which many consumers are unfamiliar with and thus susceptible to negative news coverage, malicious or otherwise.

Allergen claims have in the past been and may also in the future be reported with respect to Quorn products. Previous allergen claims reported symptoms including, among others, nausea, vomiting, diarrhea, headache, sweating, stomach cramps and breathing difficulties. Certain individuals, advocacy groups and media have expressed concerns about the supposed ill safety and health effects of Quorn products, mycoprotein, other ingredients used by Quorn and Quorn's manufacturing process as well as Quorn products being supposedly ultra-processed. Media coverage of the debates around current definitions of ultra-processed foods creates an adverse consumer perception of Quorn, despite the significant health benefits shown to be associated with diets rich in mycoprotein. The growing use of social and digital media by consumers and third parties has increased the speed and extent to which misinformation can spread.

Cauldron products are made from soy and other conventional ingredients. While the Group is unaware of any negative food safety claims regarding Cauldron products, there can be no assurance that Cauldron products would not be subject to such claims and negative news coverage in the future.

Although the Group has in place and observes rigorous food safety and quality control standards and Quorn and Cauldron products have been examined and approved by various food regulatory authorities in the U.S., the U.K. and the EU, the Group cannot ensure that there would be no claims regarding allergen or other food safety or health matters with respect to Quorn and Cauldron products in the future, whether founded or unfounded. There can also be no assurance that consumers would not hold negative perceptions of Quorn and Cauldron products or

that consumer perception would significantly improve in the future. Any negative perception or loss of confidence on the part of consumers would be difficult and costly to overcome. If consumers do not perceive Quorn and Cauldron products to be safe or of high quality, then the value of the Quorn and Cauldron brands would be diminished, and the results of operations and financial condition of the Meat Alternative Business and the Group would be materially and adversely affected.

Any damage or disruption of the Group's facilities for the Meat Alternative Business, in particular, the only facility for production of mycoprotein at Belasis in the U.K., may seriously harm the Meat Alternative Business.

The Group manufactures its Quorn and Cauldron products using three facilities it owns at Belasis, Stokesley and Methwold, and certain third-party facilities in the U.K., the EU and the U.S. See "*Business — APAC BFB Business — Manufacturing Facilities*" on page 205 and "*Business — Meat Alternative Business — Quorn Foods — Manufacturing Facilities*" on page 240. In particular, all mycoprotein used for the Quorn business is manufactured in the Group's facility at Belasis in the U.K. A natural disaster, fire, power interruption, work stoppage or other calamity at these facilities, especially the Belasis facility, would significantly disrupt the Group's ability to deliver Quorn and Cauldron products. For example, a fire that occurred at Methwold in June 2018 caused an interruption in the supply chain, dampening sales demand and causing sales to fall short of expectations for the year. Any dispute between the Group and any third-party facility owners may also disrupt the operations of its facilities. If any material amount of the machinery or inventory at these facilities, especially the Belasis facility, were damaged, or if any significant dispute arises between the Group and the third-party facility owners, the Group would be unable to meet its contractual obligations and cannot predict when, if at all, it could replace or repair such machinery or resolve such dispute, which could materially and adversely affect the financial condition and operating results of the Meat Alternative Business.

The Group's plans for addressing the rapid growth of the Meat Alternative Business include expanding operations at its Belasis and Stokesley facilities and/or seeking an alternative or additional facility. In a tight labor market, the Group may be unable to hire and retain skilled employees, which may severely hamper its expansion plans, product development and manufacturing efforts. Moreover, some of the Group's employees at Belasis have specialized skills and hold positions that require at least one year of specialized training and the Meat Alternative Business may not be able to sustain its production levels if a significant number of these employees leave or were otherwise unavailable. Furthermore, plans of ramping up operations at the Belasis and Stokesley facilities may also require additional capital expenditures and the efforts and attention of management, as well as substantial lead-time to build new facilities or increase production in any of the existing facilities. These plans may not be successful as anticipated or at all and may result in losses and have an adverse effect on the Group's financial condition and results of operations. Also see "*— Risks relating to the Group and its Business in General — If the Group fails to effectively maintain and expand its manufacturing and production capacity, or experience production malfunctions, unexpected equipment failures and other industrial accidents, its business, results of operations and brand reputation could be adversely affected*" on page 51.

New technologies may disrupt the Meat Alternative Business or meat producers might develop new products such as meat/soy-based products and take market share from consumers.

The meat alternatives industry is driven by technological innovations. Producers of meat alternatives use technology to produce protein-rich products or extract protein from agricultural products, add ingredients and process them to make products with a similar look, smell and taste to animal meat. The manufacturing process is generally much more environmentally friendly compared to animal meat production. In such an industry, market participants generally invest substantially in research and development, and it is possible that competitors of Quorn and Cauldron may develop new technologies to, for example, produce products with better nutrition and taste, or improve manufacturing processes to make them simpler, less costly and even more environmentally friendly. Competitors may also use capital-light innovations to fermentation-based food technologies and directly compete with Quorn using similar products at less cost. There can be no assurance that the Meat Alternative Business would be able to keep up should any of its competitors undertake such innovations.

Conventional meat producers, meanwhile, may also undertake innovations including, among others, the development of new products such as meat/soy-based products and improvement of livestock breeding methods to improve their environmental impact. Such innovations could take market share from consumers and reduce the consumption of meat alternatives including Quorn and Cauldron products.

If any competing meat alternative producer or conventional meat producer makes significant innovations, including those described above, and the Meat Alternative Business is not able to respond effectively, the results of operations and financial condition of the Meat Alternative Business and the Group would be adversely affected.

A competitor may acquire the capability to produce mycoprotein and become a direct competitive threat to the Meat Alternative Business.

The Group is a large-scale manufacturer of mycoprotein in the industry of meat alternatives. Mycoprotein has a unique composition of nutrition and uses manufacturing technologies that are environmentally benign, especially when compared with intensive protein production. However, a competitor may acquire the capability to produce mycoprotein, possibly more efficiently, and become a direct competitive threat to Quorn. Customers and distributors of Quorn may also develop similar products, through their own efforts or through collaboration with Quorn's competitors, and thus erode Quorn's market share. As a result, the Meat Alternative Business may experience loss of sales and profits, and its and the Group's results of operations and financial condition would be adversely affected.

Marlow Foods Limited benefits from research and development tax relief schemes and the amendment or withdrawal of the schemes will adversely affect the financial results.

Marlow Foods Limited (**MFL**), the operating entity for the Meat Alternative Business, benefits from research and development tax relief schemes in the U.K. through "Patent Box" and "Research and Development Expenditure Credit" (**RDEC**). Profits made under qualifying patents are subject to a lower rate of corporation tax of 10% against the standard rate of 19%. A significant proportion of MFL's sales benefit from a qualifying patent. The RDEC scheme is a taxable credit on the amount of qualifying R&D expenditure. It is payable as an offset against the company's corporation tax liability. However, there can be no assurance that the eligibility requirements and the benefits of the tax relief schemes would not change, nor can there be any assurance that MFL will continue to be able to enjoy these tax relief schemes. Any such adverse changes may affect the financial results of MFL and the Group.

The U.K.'s withdrawal from the EU may have a negative effect on global economic conditions, financial markets and the Meat Alternative Business.

On March 29, 2017, the U.K. formally notified the European Council of its intention to leave the EU (**Brexit**). On January 31, 2020, a withdrawal agreement between the EU and the U.K. entered into force and the U.K. formally left the EU. On December 24, 2020, the U.K. and the EU agreed a trade and cooperation agreement (the **Trade and Cooperation Agreement**), which will enter into force on the first day of the month following that in which the U.K. and the EU have notified each other that they have completed their respective internal requirements and procedures for establishing their consent to be bound. The Trade and Cooperation Agreement took provisional effect from January 1, 2021 (provisional application shall cease on the earlier of the date the agreement enters into force or February 28, 2021 unless extended) and provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the U.K. and the EU.

Due to the size and importance of the economy of the U.K., the uncertainty and unpredictability concerning the U.K.'s future laws and regulations (including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws) as well as its legal, political and economic relationships with Europe following its exit from the EU may continue to be a source of instability in international markets, create significant currency fluctuations or otherwise adversely affect trading agreements or similar cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. The long-term effects of Brexit will depend on the implementation of the Trade and Cooperation Agreement and any future

agreements (or lack thereof) between the U.K. and the EU and, in particular, any potential changes in the arrangements for the U.K. to retain access to EU markets. Brexit could result in adverse economic effects across the U.K. and Europe, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, a portion of staff of the Group's Meat Alternative Business are from other European countries and there is a risk that Brexit will affect the ability of the Meat Alternative Business to recruit skilled workers from this wider European labor market for its operations in the U.K. As the Meat Alternative Business is based in the U.K. and sells to and may expand operations into the EU, it could be subject to significant ongoing risks and uncertainties associated with Brexit in the future.

Regulatory Risks

The Group's business is subject to laws and regulations internationally, changes to which could increase its costs and adversely affect its business.

The Group is subject to laws and regulations affecting its operations in its principal places of businesses such as the Philippines, the U.K. and Thailand, as well as the jurisdictions where it operates or advertises and sells products. The laws and regulations affect the Group's activities including, but not limited to, in areas of health, quality and safety of food and beverage products, labor relations and management, consumer protection, advertising and labeling, intellectual property and data protection, real estate, anti-competition, foreign exchange controls, anti-corruption, management of solid waste, water and air quality, the use, discharge, emission, treatment, release, disposal and management of, regulated materials and hazardous substances. These laws and regulations also require the Group to obtain and maintain approvals, licenses and permits and subject it to regular and unexpected inspections and examinations by regulatory authorities.

For example, in the Philippines, the business and operations of the Group are subject to a number of laws, rules and regulations governing the food and beverage industry, which impose requirements relating to food manufacturing and storage. In particular, the Group is subject to extensive regulations by the Food and Drug Administration and the Department of Environment and Natural Resources of the Philippines. For further details, see "*Regulatory and Environmental Matters*" on page 251.

The Group seeks to comply with applicable laws and regulations through stringent food safety and quality control, environmental-friendly production and operations, obtaining and maintaining the necessary approvals, licenses and permits and efforts to comply with other applicable laws and regulations. However, there can be no assurance that the Group will be in compliance with all laws and regulations at all times and any non-compliance may result in fines, injunctions, recalls or seizures, warning letters, restrictions on the marketing or manufacturing of products, forced shutdown of production facilities, or refusals to permit the import or export of products, as well as potential criminal sanctions, which could result in increased operating costs resulting in a material adverse effect on the Group's business and results of operations. The Group has in the past been subject to unexpected regulatory inspections, including effluent and discharge sampling, at its facilities, and there have been certain instances where samples taken from the Group's facilities have not been in compliance with the applicable regulatory standards. As a result of such non-compliance, the Group has been subject to additional inspections and sampling to ensure any issues are rectified, and, on occasion, subject to monetary penalties. There is no guarantee that the Group will not be subject to further inspections in the future or that such inspections will not result in a finding of non-compliance by the Group with applicable regulatory requirements.

Health, food and beverage safety and environmental laws and regulations are of special concern to the Group. They have become increasingly stringent and are likely to become more stringent in the future. There can be no assurance that the Group will not become involved in future litigations or other proceedings or be held responsible in any such future litigations or proceedings relating to health, food and beverage safety and environmental laws and regulations, for which the costs could be material. Moreover, the adoption of new health, food and beverage safety and environmental laws and regulations, changes in manufacturing, packaging, labeling, and licensing requirements, as well as restrictions and standards on ingredients and advertising, new interpretations of existing laws, increased governmental enforcement of laws and regulations or other developments in the future may result in a number of adverse consequences such as:

- additional capital expenditures and/or increased operating expenses in order to comply with such laws and regulations, and increased product prices and loss of market share, or reduced profits if the Group is unable to pass the increased costs to its customers;

- increased risk of non-compliance and potential fines, product recall, prohibition of production or sales of certain products, suspension or closure of certain operations and other potential penalties;

- reputational damage and reduced sales and profits in case of non-compliance;

- criminal charges and/or conviction of the Company, any of its subsidiaries, and/or directors and senior management members of the respective corporate legal entities in case of severe violation of health, food and beverage safety or environmental laws and regulations; and

- diversion of resources and management attention in defending civil, administrative, regulatory and criminal proceedings.

Any of these adverse consequences could materially and adversely affect the Group's business, results of operations, financial condition and prospectus.

There are bills pending in the Philippine Congress prescribing tighter single-use plastic regulations, violation or non-compliance with which results in the imposition of fines and penalties.

There are proposed legislations in the Philippine Congress proposing stringent measures in connection with single-use plastic materials that may significantly impact the Group's operations. Particularly, there are certain draft bills providing for, apart from tax on single-use plastics: (i) a sweeping ban on all kinds of single-use plastic; (ii) a phase-out of single-use plastics on a very aggressive timeline; and/or (iii) heavy restrictions on the importation of plastic products. While the Group uses plastic materials which are predominantly sourced from abroad for packaging of its products, it has nonetheless made investments in the development of alternative packaging materials. However, the Group is not in a position to completely abandon the use of plastic materials in the short term due to the difficulty of finding non-plastic alternatives that are as cost-efficient, durable, functional, and available as plastics and/or the packaging materials currently in use. The passage of new legislation containing one or any combination of the foregoing measures may constrain the Group to make significant capital expenditures to realize fast-track transition to non-plastic materials, and/or increase its prices to account for the more expensive packaging material to be used, in order to avoid exposure to sanctions and even to negative publicity.

Compliance with the above-mentioned new legislations and/or regulations may involve additional costs when adapting the Group's operations and processes insofar as these are not being rendered incompatible or obsolete. Otherwise, the Group may risk being sanctioned or exposed to negative publicity.

The Group's operations are subject to U.S. Food and Drug Administration governmental regulations and other U.S. federal, state and local regulations, and there is no assurance that the Group will be in compliance with all regulations.

The Group sells and manufactures a certain amount of its Quorn products in the U.S. and may further expand its operations in the U.S. in the future; as a result, its operations are subject to extensive regulations by the U.S. Food and Drug Administration (the **U.S. FDA**) and other U.S. federal, state and local authorities. Specifically, for products manufactured or sold in the U.S., the Group is subject to the requirements of the Federal Food, Drug and Cosmetic Act and regulations promulgated thereunder by the U.S. FDA. This comprehensive regulatory program governs, among other things, the manufacturing, composition and ingredients, packaging, labeling and safety of food. Failure by the Group to comply with applicable laws and regulations or maintain permits, licenses or registrations relating to the Group's operations could subject the Group to civil remedies or penalties, including fines, injunctions, recalls or seizures, warning letters, restrictions on the marketing of products, or refusals to

permit the import or export of products, as well as potential criminal sanctions, which could result in increased operating costs resulting in a material effect on the Group's operating results and business.

Certain products in the Group's business are subject to price monitoring by the Government.

Basic necessities such as bread, fresh pork, beef and poultry meats, fresh eggs, milk, coffee and cooking oil, among others, and prime commodities including but not limited to flour, processed meats, other dairy products and swine and poultry feeds may be subjected to price monitoring by the Government. Under the Philippines Republic Act No. 7581 (the **Price Act**), as amended, the President of the Philippines may impose a mandated price ceiling on any basic necessity or prime commodity in the event of a calamity, an emergency, illegal price manipulation or when the prevailing prices have risen to unreasonable levels. In addition, the Philippine Department of Trade and Industry (**DTI**) issues a "Suggested Retail Price" (**SRP**) list for any or all basic necessities and prime commodities. Absent prevailing automatic price controls or the imposition of mandated price ceilings, manufacturers are not prevented from adjusting the pricing of their products notwithstanding there being SRPs issued by the DTI. The DTI should be informed of any price movement in these products prior to implementing the same. This list includes two of the Group's instant noodle products and there can be no assurance that other products of the Group would not be added in the future. The Group notifies the DTI of any adjustments to the pricing of its products in relation to current SRPs.

The Price Act also imposes an automatic price control on the prices of basic commodities in areas declared as disaster areas or under a state of calamity, under emergency, or martial law or in a state of rebellion or war. Unless sooner lifted by the President of the Philippines, prices shall remain frozen for a maximum of 60 days, except for price control on basic necessities that are wholly imported and deregulated. The President may likewise impose a price ceiling on basic necessities and prime commodities in cases of calamities, emergencies, illegal price manipulation or when the prevailing prices have risen to unreasonable levels. Regulators implementing the Price Act are also given the authority to issue SRPs, whenever necessary, for certain basic necessities and/or prime commodities for the information and guidance of concerned trade, industry and consumer sectors. Any resulting price control may have a material adverse effect on the Group's business, financial condition, and results of operations.

Any change in applicable laws, regulations or policies in the territories where Quorn and Cauldron products are sold that relate to the use of the word "meat" or restricts the use of meat based product designations such as "sausage," "burger" or similar, in connection with alternative protein products could adversely affect the Meat Alternative Business.

The regulators of food production and sales in the territories where Quorn and Cauldron products are sold could take action to impact the Group's ability to use the term "meat" or similar words such as "beef," "pork" or "chicken" or meat based product designations such as "sausage," "burger" or similar to describe its Quorn and Cauldron products. In addition, a food may be deemed misbranded if its labeling is false or misleading in any particular way, and the regulators and the courts (in case of relevant court proceedings) could interpret the use of the term "meat," any similar phrase(s) or any meat based product designations to describe fungus- and plant-based protein products as false or misleading. If any regulator takes any of these actions or if any court makes the above-mentioned decision, the Group could be subject to enforcement action or recall of Quorn and Cauldron products marketed with these terms, it may be required to modify its marketing strategy, and its business, prospects, results of operations or financial condition could be adversely affected.

Mycoprotein may be required to obtain novel food licenses in new markets.

Regulations over novel food have been implemented by a number of jurisdictions such as the U.K., the EU, Canada, Australia, New Zealand and Singapore. For example, in the EU, novel foods or novel food ingredients that have no history of significant consumption in the EU prior to 15 May 1997 must be authorized according to the Novel Food legislation, Regulation (EC) No 258/97. Novel food applications take time and would substantially delay market launch of the products identified as "novel food" by regulatory authorities. Processing a novel food

application generally takes more than one year in the U.K. and the EU, and sometimes takes up to three years in some jurisdictions.

Mycoprotein, a non-traditional food, has been identified as “novel food” and granted specific “novel food” or equivalent regulatory approvals in jurisdictions including the U.K., all EU member states, Norway, Switzerland, the U.S., Canada, Australia, New Zealand, South Africa, Malaysia, Taiwan, Japan, Korea, Singapore, the Philippines, and Thailand. As the Group aims to expand market reach of its Quorn products, it may be subject to novel food regulations and may need to obtain pre-market approvals in certain new markets. It is also possible that some countries where Quorn products have already been sold and which do not have in place novel food regulatory regimes would implement relevant regulations and start review and investigation of or require special approval with respect to Quorn products. In addition, certain jurisdictions’ approval processes may involve requirements that are controversial to particular consumer groups who may stop purchasing Quorn products if the Group proceeds with the approval process. Any of these adverse circumstances could harm the operations and impede the expansion of the Meat Alternative Business and adversely affect the Group’s business, financial condition and results of operations.

Unethical conduct and non-compliance with applicable laws and regulations could damage the Group’s reputation.

The Group’s code of conduct and related policies define the Group’s commitment to integrity, fairness and transparency, compliance with legal and regulatory requirements, high ethical standards and the behaviors and actions the Group expects of businesses and people wherever it operates. Incidents of unethical behavior, fraudulent activity or non-compliance with applicable laws and regulations could be damaging to the Group’s operations and reputation. For example, non-compliance with respect to data privacy regulations resulting in personal data breaches and other controversies relating to the unauthorized processing of personal data both within the Philippines and abroad could subject the Group to increased public scrutiny, in addition to being subject to proceedings or actions initiated by governmental entities or others and loss of customer confidence. Multiple events of non-compliance could call into question the integrity of the Group’s operations and have a material adverse impact on the Group’s business and growth prospects.

In addition, if the Group’s employees violate laws and regulations of jurisdictions in which the Group operates, the Group may be subject to penalties, fines or other measures, which could have a material adverse effect on the Group’s reputation, business, results of operations, financial condition and/or cash flows.

The Group’s reputation is a valuable asset and the way in which the Group operates, contributes to society and engages with the world is always under scrutiny. Despite the Group’s commitment to conduct business ethically and the steps taken to adhere to this commitment, there remains a risk that activities, behaviors or events cause the Group to fall short of its desired standards which could have a material adverse effect on the Group’s business and reputation.

Risks Relating to the Philippines

A substantial part of the Group’s operations is located in the Philippines, and therefore any downturn in general economic conditions in the Philippines could have a material adverse impact on the Group.

Historically, the Group’s results of operations have been influenced, and will continue to be influenced, by the general state of the Philippine economy and as a result, its income and results of operations depend, to some extent, on the performance of the Philippine economy. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Peso and the imposition of exchange controls.

There is no assurance that there will not be a recurrence of an economic slowdown in the Philippines. Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;

- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;

- exchange rate fluctuations and foreign exchange controls;

- rising inflation or increases in interest rates;

- reduced levels of employment, consumer confidence and income;

- changes in fiscal and regulatory policies and regulations of the government of the Republic of the Philippines (the **Government**), including tax laws and regulations that impact or may impact inflation and consumer demand;

- Government budget deficits;

- adverse trends in the current accounts and balance of payments of the Philippine economy;

- public health epidemics or outbreaks of diseases, such as COVID-19, re-emergence of Middle East Respiratory Syndrome-Corona virus (MERS-CoV), SARS, avian influenza (commonly known as bird flu), or H1N1, or the emergence of another similar disease (such as Zika) in the Philippines or in other countries in Southeast Asia;

- natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;

- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and

- other regulatory, social, political or economic developments in or affecting the Philippines.

There can be no assurance that the Philippines will achieve strong economic fundamentals in the future. Changes in the conditions of the Philippine economy could materially and adversely affect the Group's business, financial condition and results of operations.

Corporate governance and disclosure standards in the Philippines may differ from those in more developed countries.

Although a principal objective of Philippine securities laws is to promote full and fair disclosure of material corporate information, there may be less publicly available information about Philippine public companies, such as the Company, than is regularly made available by public companies in the U.S. and other countries. As a result, public shareholders of the Company may not have access to the same amount of information or have access to information in as timely a manner as may be the case for companies listed in the U.S. and many other jurisdictions. Furthermore, although the Company complies with the requirements of the Philippine SEC with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions. Failure by the Group to maintain effective disclosure controls and procedures and internal control over financial reporting in accordance with the rules of the Philippine SEC could harm the Group's business and results of operations and/or result in a loss of investor confidence in the Group's financial reports, which could have a material adverse effect on the Group's business.

Investors may face difficulties enforcing judgments against the Company.

The Company and many of its subsidiaries are organized under the laws of the Republic of the Philippines and their assets are substantially located in the Philippines. As a result, it may be difficult for investors to effect service of process outside of the Philippines upon the Company. Moreover, it may be difficult for investors to enforce judgments against the Company outside of the Philippines in any actions pertaining to the Shares. In addition, substantially all of the directors and officers of the Company are residents of the Philippines, and all or a substantial portion of the assets of such persons are or may be located in the Philippines. As a result, it may be difficult for investors to effect service of process upon such persons or enforce against such persons judgments obtained in courts or arbitral tribunals outside of the Philippines predicated upon the laws of jurisdictions other than the Philippines.

The Philippines is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments but is a signatory to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Nevertheless, the Philippine Rules of Civil Procedure provide that a judgment or final order of a foreign court obtained against the Company is, through the institution of an independent action, enforceable in the Philippines as a general matter, unless there is evidence that: (i) such judgment was obtained by collusion or fraud, (ii) the foreign court rendering such judgment did not have jurisdiction, (iii) such order or judgment is contrary to good customs, public order, or public policy of the Philippines, (iv) the party against whom the enforcement is sought did not receive notice of the proceedings before the foreign court, or (v) such judgment was based upon a clear mistake of law or fact.

Any decrease in the credit ratings of the Philippines may adversely affect the Group's business.

The Philippines is currently rated investment grade by major international credit rating agencies such as Moody's, Standard & Poor's and Fitch. In May 2020, the Philippines received its first credit rating outlook downgrade in 15 years after Fitch lowered the country's credit outlook to stable from positive due to the economic fallout from the COVID-19 pandemic. While Moody's and S&P retained the sovereign rating and stable outlook, no assurance can be given that these agencies will not in the future downgrade the credit ratings of the Government and, therefore, Philippine companies, including the Group. As a systemic risk, the Group cannot provide assurance of effective mitigation. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Group, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

Any political instability in the Philippines may adversely affect the Group.

The Philippines has from time to time experienced political and military instability. The Philippine Constitution provides that in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately-owned public utility or business. In the last few years, there has been political instability in the Philippines, including public and military protests. No assurance can be given that the political environment in the Philippines will stabilize and that the Group can provide effective mitigation to such political instability. Any political instability in the future may result in inconsistent or sudden changes in the economy, regulations and policies that affect the Group, which could have an adverse effect on its business, results of operations and financial condition.

In addition, the Group may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact the Company's business.

Territorial disputes among the Philippines and its neighboring nations may adversely affect the Philippine economy and the Group's business.

The Philippines, China and several other Southeast Asian nations, such as Brunei, Malaysia, and Vietnam, have been engaged in competing and overlapping territorial disputes over islands in the West Philippine Sea (also known as the South China Sea). The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea (**UNCLOS**). Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. Actions taken by both sides have threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, a temporary suspension of tours to the Philippines by Chinese travel agencies and the rejection by China of the Philippines' request for arbitral proceedings administered in accordance with the UNCLOS to resolve the disputes. This has produced decades of tension and conflict among the neighboring nations. The West Philippine Sea is believed to house unexploited oil and natural gas deposits, as well as being home to some of the biggest coral reefs in the world. China, in recent years, has been vocal in claiming its rights to nearly the whole of the West Philippine Sea – as evidenced by its increased military presence in the area. This has raised conflict in the region among the claimant countries.

In 2013, the Philippines filed a case to legally challenge China's claims in the West Philippine Sea and to resolve the dispute under the United Nations Convention on the Law of the Sea. The case was filed in the Permanent Court of Arbitration, the international arbitration tribunal at The Hague, Netherlands. In July 2016, the tribunal ruled in favor of the Philippines and stated that China's claim was invalid. China rejected the ruling, claiming that it did not participate in the proceedings as the tribunal had no jurisdiction over the case. News reports have reported increased Chinese activity in the area, including the installation of missile systems and the deployment of bomber planes. Other claimants have challenged China's actions in the West Philippine Sea. The Government, under the Duterte administration, has taken action to de-escalate tensions concerning the territorial dispute with China.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighboring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted and the Group's business and financial standing may be adversely affected. The Group cannot provide assurance of effective mitigation to such systemic risk.

Acts of terrorism and violent crimes could destabilize the country and could have a material adverse effect on the Group's business, financial position and results of operations.

The Philippines has been subject to a number of terrorist attacks for the last two decades, and the Armed Forces of the Philippines has been in conflict with groups which have been identified as being responsible for terrorist activities in the Philippines. In addition, bombings have taken place in the Philippines, mainly in cities in the southern part of the country. For example, in May 2017, the city of Marawi in Lanao del Sur, Mindanao, was assaulted by the Maute Group, terrorists which were inspired by pledged allegiance to the Islamic State of Iraq and Syria (**ISIS**). Due to the clash between the Government forces and the terrorists and the risk of the armed conflict spilling over to other parts of Mindanao, martial law was declared on the entire island of Mindanao, Philippines. In October 2017, the city was declared liberated from the terrorists. Despite this, the Philippine Congress extended the imposition of martial law in Mindanao until the end of 2019, citing persistent threats of terrorism and rebellion and to ensure the total eradication of ISIS-inspired terrorists in the country. The martial law in Mindanao was lifted on January 1, 2020, however certain areas in Mindanao remain under a state of emergency and law enforcement groups are in heightened security as a measure against potential terror threats. An increase in the frequency, severity or geographic reach of these terrorist acts could destabilize the Philippines, and adversely affect the country's economy. These armed conflicts and terror attacks could lead to further injuries or deaths among civilians and members of the military, which could destabilize parts of the country and adversely affect the country's economy. Any such destabilization could cause interruption to the Group's business and materially and adversely affect the Group's business, financial position, results of operations and prospects.

The occurrence of natural disasters, public epidemics or other catastrophes, or severe weather conditions, may materially adversely affect the Philippine economy and disrupt the Group's operations.

The Group's facilities and operations could be severely disrupted by many factors, including accidents, breakdown or failure of equipment, interruption in power supply, human error, natural disasters, public epidemics, outbreak of diseases, and other unforeseen circumstances and problems. The Philippines has experienced a number of major natural catastrophes over the past years, including typhoons such as super typhoon "Rolly" in late October 2020, volcanic eruptions such as the Taal Volcano eruption in January 2020, earthquakes, tsunamis, mudslides, fires, droughts and floods related to El Niño and La Niña weather events. The Group's business has in the past been and could in the future be disrupted by such natural disasters in the Philippines, and there can no assurance that the Group's insurance coverage for these risks will adequately compensate it for all damages and economic losses resulting from natural catastrophes. The Group's business, financial condition and results of operations may be materially and adversely affected by any disruption of its operations or operations of its suppliers, distributors and other contractors, including due to any of the events mentioned above.

Risks relating to the Offer and the Offer Shares

The Offer Shares may not be a suitable investment for all investors.

Each potential investor in the Offer Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Group and its businesses, the merits and risks of investing in the Offer Shares and the information contained in this Prospectus; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Offer Shares and the impact the Offer Shares will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Offer Shares, including where the currency for purchasing and receiving dividends on the Offer Shares is different from the potential investor's currency; (iv) understand and be familiar with the behavior of any relevant financial markets; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

There has been no prior market for the Shares, so there may be no liquidity in the market for the Offer Shares and the price of the Offer Shares may fall.

There has been no prior trading in the Shares and there can be no assurance that an active market for the Offer Shares will develop following the Offer or, if developed, that such market will be sustained.

The Offer Price has been determined after taking into consideration a number of factors including, but not limited to, the Group's prospects, the market prices for shares of companies engaged in related businesses similar to that of the Group's businesses and prevailing market conditions. The price at which the Shares will trade on the PSE at any point in time after the Offer may vary significantly from the Offer Price.

The relative volatility and illiquidity of the Philippine securities market may substantially limit investors' ability to sell the Offer Shares at a suitable price or at a time they desire.

The Philippine securities markets are substantially smaller, less liquid, and more volatile relative to major securities markets in the United States and other jurisdictions, and are not as highly regulated as some of these other markets. The Offer Price could differ significantly from the price at which the Shares will trade subsequent to completion of the Offer. There has been no prior market for the Shares and there can be no assurance that any active trading market for the Shares will develop or be sustained after the Offer, or that the Offer Price will correspond to the price at which the Shares will trade in the Philippine public market subsequent to the Offer. There can be no assurance that investors may sell Offer Shares at prices or at times deemed appropriate.

Factors that could affect the price of the Shares include the following:

- fluctuations in the Company's results of operations and cash flows or those of other companies in the Company's industry;
- additions or departures of key personnel;
- changes in financial estimates or recommendations by research analysts;
- changes in the amount of indebtedness the Company has outstanding;
- changes in general conditions in the Philippines and international economy, financial markets or the industries in which the Company operates, including changes in regulatory requirements and changes in political conditions in the Philippines;
- changes in relationships with its controlling shareholder and regulators;
- significant contracts, acquisitions, dispositions, financings, joint marketing relationships, joint ventures or capital commitments by the Company or its competitors;
- asset impairments or other charges;
- significant claims or proceedings against the Company and disputes involving the Company;
- the Company's dividend policy; and
- future sales of the Company's equity or equity-linked securities.

In recent years, stock markets, including the PSE, have experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. These broad market fluctuations may also adversely affect the market prices of the Shares.

The transfer of Offer Shares is restricted in certain jurisdictions which may adversely affect their liquidity and the price at which they may be sold.

The Offer Shares have not been registered under, and the Company is not obligated to register the Offer Shares under, the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. See "*Plan of Distribution*" on page 312 and "*Summary of the Offer — Transfer Restrictions*" on page 36. The Company has not agreed to or otherwise undertaken to register the Offer Shares, and the Company has no intention of doing so.

Overseas shareholders may find it more difficult than Philippine shareholders to exercise their voting rights at the Company's shareholders' meetings.

There are no provisions under Philippine law or under the Company's by-laws that will limit the exercise by foreign holders of their voting rights of the Shares. All shareholders of record may attend the Company's shareholder meetings in person or by proxy. However, there are practical, geographic and logistical limitations on foreign holders' ability to receive notice of and attend regular or special meetings of the Company's shareholders on a timely basis. The implementing rules of the SRC require the Company to send all shareholders of record notice of the annual meeting at least two weeks before the meeting unless (and this also applies to special meetings) the Company has already distributed an information statement and proxy form (in case of proxy solicitation) relating to a shareholders' meeting at least 15 business days before the shareholders' meeting. But there can be no assurance that foreign shareholders will receive such notices in a timely manner or at all.

Future changes in the value of the Philippine peso against the U.S. dollar, the Sterling or other currencies will affect the foreign currency equivalent of the value of the Shares and any dividends.

The price of the Offer Shares is denominated in Philippine Pesos. Fluctuations in the exchange rate between the Peso and other currencies will affect the foreign currency equivalent of the Peso price of the Shares on the PSE. Such fluctuations will also affect the amount in foreign currency received upon conversion of cash dividends or other distributions paid in pesos by the Company on, and the peso proceeds received from any sales of, the Offer Shares, as well as the book value of foreign currency assets, and income and expenses and cash flows in the Company's financial statements.

Shareholders may be subject to limitations on minority shareholders' rights.

The obligation under Philippine law of majority shareholders and directors with respect to minority shareholders may be more limited than those that are available in certain other countries. Consequently, minority shareholders may not be able to protect their interests under current Philippine law to the same extent as in certain other countries.

The Revised Corporation Code provides for minimum minority shareholders' protection in certain instances where a vote by the shareholders representing at least two-thirds of the Company's outstanding capital stock is required. The Revised Corporation Code also grants shareholders an appraisal right allowing a dissenting shareholder to require the corporation to purchase his shares in certain instances. Derivative actions, while permitted under the Revised Corporation Code and governed by the Interim Rules of Procedure Governing Intra-Corporate Controversies (A.M. No. 01-2-04-SC), are rarely brought on behalf of Philippine companies. Accordingly, there can be no assurance that legal rights or remedies of minority shareholders will be the same, or as extensive, as those available in other jurisdictions or sufficient to protect the interests of minority shareholders.

Overseas shareholders may be subject to restrictions or repatriation of pesos received with respect to the Offer Shares.

Under regulations of BSP, as a general rule, Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. There are restrictions on the sale and purchase of foreign exchange within the Philippine banking system. In particular, a foreign investment must be registered with the BSP if foreign exchange is needed to service the repatriation of capital and the remittance of dividends, profits and earnings which accrue thereon is sourced from the Philippine banking system. See "*Philippine Foreign Exchange and Foreign Ownership Controls*" on page 302.

The Government has, in the past, instituted restrictions on the conversion of pesos into foreign currency and the use of foreign exchange received by Philippine residents to pay foreign currency-denominated obligations. The Monetary Board of the BSP, with the approval of the President of the Philippines, has statutory authority during a foreign exchange crisis or in times of national emergency to temporarily suspend or restrict sales of foreign exchange, to require licensing of foreign exchange transactions or to require delivery of foreign exchange to BSP or its designee banks. The Company is not aware of any pending proposals by the Government relating to such restrictions. Any restrictions imposed in the future pursuant to such statutory authority could adversely affect the ability of the Company to source foreign currency to comply with its foreign currency-denominated obligations and adversely affect the ability of investors to repatriate foreign currency upon sale of the Offer Shares or dividends or distributions relating to them.

There can be no assurance that the Company will be able to pay dividends or maintain any given level of dividends.

If the Company does not generate sufficient net operating profit, the Company's ability to pay dividends will be adversely affected. Neither Philippine law nor the rules and regulations of the PSE impose on PSE-listed companies to pay a minimum level of dividend or any dividend at all. Holders of the Offer Shares will not receive dividends for any period during which the Company does not have unrestricted retained earnings out of which

dividends may be paid. No assurance can be given as to the Company's ability to make or maintain dividends. Nor can there be any assurance that if the Company pays dividends in a certain year or certain years, it will subsequently continue to pay dividends at the same level or frequency.

Future sales of Shares in the public market could adversely affect the prevailing market price of the Shares and shareholders may experience dilution in their holdings.

In order to finance the expansion of the Company's business and operations, the Board will consider the funding options available to them at the time, which may include the issue of new Shares. If additional funds are raised by the Company through the issuance of new equity or equity-linked securities other than on a pro rata basis to existing shareholders, the percentage ownership of existing shareholders may be reduced, shareholders may experience subsequent dilution or such securities may have rights, preferences and privileges senior to those of the Offer Shares. Furthermore, the market price of the Shares could decline as a result of future sales of substantial amounts of the Shares in the public market or the issuance of new Shares, or the perception that such sales, transfers or issuances may occur. This could also materially and adversely affect the prevailing market price of the Shares or the Company's ability to raise capital in the future at a time and at a price the Company deems appropriate.

Investors may incur immediate and substantial dilution as a result of purchasing the Offer Shares.

The issue price of the Offer Shares may be substantially higher than the net tangible book value of net assets per share of the outstanding Shares. Therefore, purchasers of the Offer Shares may experience immediate and substantial dilution and the Group's existing shareholders may experience a material increase in the net tangible book value of net assets per share of the Shares they own. See "*Dilution*" on page 95.

The Company is required to maintain a minimum public ownership of 20%.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 and under the PSE Amended Rule on Minimum Public Ownership (**MPO Rule**), the Company is required to maintain a minimum public ownership (**MPO**) of 20.0% of its total issued and outstanding shares. Listed companies that become non-compliant with the MPO Rule will be suspended from trading for a period of not more than six months and will automatically be delisted if they remain non-compliant with the MPO Rule after the lapse of the suspension period. Suspended or delisted shares will not be traded on the PSE. In addition, the sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subject to capital gains tax and documentary stamp tax.

Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues.

If the Company offers or causes to be offered to holders of the Offer Shares rights to subscribe for Shares or any right of any other nature, the Company will have discretion as to the procedure to follow in making such rights available to holders of the Offer Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders.

For example, such rights may not be offered to holders of the Shares who are U.S. persons (as defined in Regulation S) or have a registered address in the U.S. unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offer and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act.

The Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who are subject to similar restrictions may be unable to participate in rights offerings and may experience a dilution in their holdings as a result.

There can be no guarantee that the Offer Shares will be listed on the PSE, or that there will be no regulatory action that could delay or affect the Offer.

Purchasers of the Trading Participants and Retail Offer Shares will be required to pay for such Offer Shares on the Trading Participants and Retail Offer Settlement Date, which is expected to be on or about [●], 2021.

There can be no guarantee that listing will occur on the anticipated Listing Date or at all. Delays in the admission and the commencement of trading in shares on the PSE have occurred in the past. If the PSE does not admit the Offer Shares onto the PSE, the market for the Offer Shares will be illiquid and shareholders may not be able to trade the Offer Shares. This may materially and adversely affect the value of the Offer Shares.

Risks Relating to Certain Information in this Prospectus

Certain information contained herein is derived from unofficial publications and distinct market research reports.

Certain information in this Prospectus relating to the Philippines and other countries, the food and beverage industry and market and their segments, including statistics relating to market size, is derived from various public and private publications. This Prospectus also contains industry information which was prepared from available public sources and industry market reports separately conducted by Euromonitor and OC&C, commissioned by the Group to provide an overview of the segments of the industry in which the Group operates and the competitiveness of its industry and industry surveys conducted by Nielsen and Kantar.

The reports by Euromonitor and OC&C and surveys conducted by Nielsen and Kantar have each been prepared separately based on numerous assumptions, estimates, projections and forecasts as detailed in such reports, which are subject to inherent risks and uncertainties. These assumptions, estimates, projections and forecasts, as set forth in the reports by Euromonitor and OC&C and surveys by Nielsen and Kantar, may not be accurate and may vary from each other. Moreover, while these sources, reports and surveys may each provide certain industry data such as for market share, the assumptions and methodologies used to calculate and generate such data may vary across these sources, reports and surveys. Hence, the data across these sources, reports and surveys for seemingly similar items may not be directly comparable, and investors are cautioned accordingly.

The information respectively provided by Euromonitor, OC&C, Nielsen and Kantar may not be consistent, and the information contained in this Prospectus extracted from market research results of Euromonitor and OC&C and industry surveys conducted by Nielsen and Kantar may not be consistent with other information regarding the Group's industry, or each other. Moreover, industry forecasts and other market research data, including those contained or extracted herein, have not been independently verified and may not be accurate, complete, up to date or consistent with other information compiled within or outside the Philippines.

None of the Group, the Selling Shareholder, the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners, the Domestic Co-Lead Managers or any of their respective affiliates or advisors assume any responsibility for the accuracy of any assumptions or projections contained in any of the reports by Euromonitor or OC&C or any surveys by Nielsen or Kantar, or the accuracy of the analysis therein or for the appropriateness of the assumptions used in such projections. No representation is made or intended, nor should any be inferred, with respect to the likely existence of any particular future set of facts or circumstances. Inaccurate market projections could affect investors' assessment of the Group's performance. Investors are cautioned not to place undue reliance on the projections and assumptions contained therein. Prospective investors are cautioned accordingly.

USE OF PROCEEDS

The Company estimates that net proceeds from the Primary Offer, based on an Offer Price of [up to ₱17.50] per Offer Share, will be approximately ₱[60,516.4] million after deducting the applicable underwriting fees and commissions and expenses for the Primary Offer (excluding any additional expenses that may be incurred in relation to the Over-allotment Option) payable by the Company. The Company intends to use the net proceeds from the Primary Offer towards funding Capital Expenditure redemption of the Arran Convertible Note and repayment of loans to commercial banks.

Further details of the proposed use of proceeds, based on an Offer Price of [up to ₱17.50] per Offer Share, are as follows:[39]

Use of Proceeds	Estimated Amounts	Percentage	Estimated Timing of Disbursement
	(₱ millions)		
Capital Expenditure	[26,519.0]	[43.8]%	[2021 – 2023]
Redemption of convertible note	[17,308.0]	[28.6]%	[Second quarter of 2021]
Repayment of loans	[16,689.4]	[27.6]%	[Second quarter of 2021]
Estimated Net Proceeds	[60,516.4]	100.0%	

Capital Expenditure

[Approximately] [43.8]% of the net proceeds from the Primary Offer will be used for Capital Expenditure. The Group's major Capital Expenditure is expected to be used to build new capacity and capability both in the APAC BFB Business and the Meat Alternative Business. The Company intends to implement its proposed use of proceeds in relation to Capital Expenditure through its subsidiaries by way of debt or equity financing or a combination of both.

The tables below set out certain details of the Group's planned Capital Expenditures for the APAC BFB Business and the Meat Alternative Business.

APAC BFB Business

Projects	Percentage of Completion as of December 31, 2020	Timetable of Disbursement	Estimated Date of Completion	Estimated Capital Expenditure (₱ millions)
Capacity increase and innovation - Philippine operations	17%	2021-2023	2021-2023	7,255
Operational efficiency initiatives - Philippine operations	0%	2021-2023	2021-2023	485
End-to-end supply network redesign - Philippine operations	0%	2021-2023	2021-2023	914
Capacity increase and innovation - Thailand operations	0%	2021-2023	2021-2023	2,147
				10,801

Capital Expenditure for the APAC BFB Business will be utilized to finance key projects, including the completion of the construction of the manufacturing facility in Malvar, Batangas, capacity increase and innovation projects such as the new healthy noodle lines, operational efficiency initiatives and supply network transformation.

[39] On March 1, 2021, a majority of the Board and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine SEC. The numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned reduction of par value.

The Group commenced the construction of the Malvar, Batangas facility in 2020. The facility is situated in the Light Industry and Science Park 4, one of the leading private industrial parks in the Philippines. The facility encompasses the second largest land area among all the APAC BFB Group's facilities and is the first leg of the end-to-end supply network redesign, which will feature a new work system. The Group expects that this facility will commence commercial operations in the second half of 2021.

The Group also plans to install multiple high-speed airflow technology lines for its instant noodle products in the Philippines and Thailand in the next three years. With the high-speed airflow technology, palm oil content is reduced by approximately 55% to 70%.

Operational efficiency initiatives that will be implemented include alternative technologies that will reduce plastic use in products' packaging, event data systems for production line performance diagnostics, and in-line sensors for process control.

End-to-end supply network redesign includes reapplication of the distribution center new workflow model, mix-use storage, and alternative sourcing options for business continuity and cost competitiveness.

Meat Alternative Business

Investment in the Meat Alternative Business will mainly relate to growing capacity and developing new products.

Projects	Percentage of Completion as of December 31, 2020	Timetable of Disbursement	Estimated Date of Completion	Estimated Capital Expenditure (₱ millions)
To expand capacity	37%	2021-2023	2023[(1)]	7,105
To improve manufacturing and new product development capabilities	0%	2021-2023	2023	7,313
To reduce emissions across the supply chain	Ongoing	2021-2023	2023	1,300
			Total	15,718

Note:
(1) Substantially complete by 2023

Capital expenditure for the Meat Alternative Business will be utilized to finance key projects, including to expand capacity, improve manufacturing and new product development capabilities and to reduce emissions across supply chain.

The Group plans to increase its capacity to be able to grow sales by 2.5 times from 2020 through the completion of two fermenters and associated forming and packing capacity. The construction of the first of these has been completed and is undergoing commission trials and is expected to enter service by mid-2021 and reach full capacity by April 2022. The timing of the construction of the second additional fermenters is subject to the growth rate of the business. The Group expects the construction to start within the timeframe of the plan.

To improve manufacturing and new product development capabilities, the Group will build a new research and development facility. The facility will focus on flavor development, product development and culinary innovation. The location of the facility has yet to be determined. The use of proceeds includes funding of the construction of a pilot plant at the Group's fungal strain research center at Belasis in the U.K. to accelerate the Group's research program. The Group is also investigating a range of alternative manufacturing technologies that might have the potential to improve the taste, texture and sustainability credentials of its products.

The Group recognized the need to achieve net zero emissions and continually improve the sustainability of its packaging. Therefore, the Group has allocated a portion of the net proceeds to support this activity.

Redemption of Arran Convertible Note

[Approximately] [28.6]% of the net proceeds from the Primary Offer will be used for redemption of the Arran Convertible Note.

In April 2019, the Company issued in favor of Arran Investment Pte. Ltd. the Arran Convertible Note which is convertible into common shares of the Company and which then represented 7% of the total issued and outstanding capital stock of the Company on a fully-diluted basis. In 2021, this percentage decreased to approximately 6.44% of the issued and outstanding capital stock of the Company (equivalent to 989,032,200[40] common shares) as a result of the issuance of the Company's common shares to My Crackers, Inc. The proceeds of the Arran Convertible Note were used by the Company to refinance loans and reduce mandatory debt service. The redemption amount of the Arran Convertible Note is equal to the Offer Price multiplied by 989,032,200 common shares. Upon payment of the redemption amount, the Arran Convertible Note shall be fully redeemed. The Company plans to disburse the net proceeds from the Primary Offer for the redemption of the Arran Convertible Note in the second quarter of 2021.

Loan Repayment

[Approximately] [27.6]% of the net proceeds from the Primary Offer will be used for repayment of the existing indebtedness as follows:

Lender	Maturity Date	Average Interest Rates in 2020 (per annum)	Outstanding Amount as of 31 December 2020 (₱ millions)	Amount to be repaid (₱ millions)
BDO Unibank, Inc.	October 26 and November 6, 2023	3.8%	8,101.7	6,056.5
Metropolitan Bank & Trust Company	December 29, 2022	3.6%	8,736.7	6,531.2
Bank of the Philippine Islands	October 15, 2021	4.9%	5,486.7	4,101.6

The Company plans to disburse the net proceeds from the Primary Offer for the loan repayment in the second quarter of 2021. The aforementioned loans were obtained to fund (and/or refinance) the Company's indirect acquisition of Quorn Food Ltd. from Exponent Private Equity.

BDO Unibank, Inc. is the parent company of BDO Capital. Metropolitan Bank & Trust Company is the parent company of First Metro. Bank of the Philippine Islands is the parent company of BPI Capital. BDO Capital, First Metro and BPI Capital are the Local Lead Underwriters in the Offer.

In the event that the net proceeds from the Primary Offer is less than the expected amount, the Company intends to allocate the net proceeds in the order of priority as follows:

(i) Capital Expenditures;

(ii) Redemption of convertible note; and

(iii) Repayment of loans.

If the expected gross proceeds are not realized, the Company will use its internally generated funds from operations and existing cash flows, existing credit lines, and/or other potential borrowings to finance the expected uses.

[40] Calculation already took into account the stock spilt. See footnote 39.

The proposed use of proceeds described above represents best estimates of the use of net proceeds of the Primary Offer based on the Company's current plans and expenditures. Other than as described above, no part of the net proceeds from the Primary Offer shall be used to acquire assets or finance the acquisition of other businesses, or to reimburse any officer, director, employee or shareholder of the Company for services rendered, assets previously transferred, money loaned or advanced, or otherwise. The Company's plans may change based on, and the actual amount and timing of disbursement of the net proceeds from the Primary Offer for the uses stated above will depend on, various factors which include, among others, changing market conditions or new information regarding the cost or feasibility of the Company's plans. Cost estimates may change as the Company develops its plans, and actual costs may be different from budgeted costs. For these reasons, the Company may find it necessary or advisable to reallocate the net proceeds within the categories described above, or to alter plans.

To the extent that the net proceeds from the Primary Offer are not immediately applied to the above purposes, the Company may invest the net proceeds in interest-bearing short-term demand deposits and/or money market instruments. In the event of any deviation, adjustment or reallocation in the planned use of proceeds, the Company will secure the approval of its Board for such deviation, adjustment or reallocation and promptly make the appropriate disclosure to the Philippine SEC and the PSE, provided that the actual disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to such actual disbursement or implementation. The Company will regularly disclose to the PSE, through the PSE Electronic Disclosure Generation Technology (**PSE EDGE**), any disbursements from the proceeds generated from the Offer. In addition, the Company will likewise submit via the PSE EDGE the following required disclosures to ensure transparency in the use of proceeds from the Offer:

(i) any disbursements made in connection with the planned use of proceeds from the Offer;

(ii) quarterly progress report on the application of the proceeds from the Offer within 15 days following the end of the quarter following the Offer certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(iii) annual summary of the application of the proceeds on or before January 31 of the year following the Offer certified by the Company's Chief Financial Officer or Treasurer and external auditor; and

(iv) approval by the Board of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to the said actual disbursement or implementation.

The quarterly and annual reports required in items (ii) and (iii) above must include a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in this Prospectus, if any. The detailed explanation must state the approval of the Board as required in item (iv) above. The Company will submit an external auditor's certification of the accuracy of the information reported by the Company to the PSE in its quarterly and annual reports.

EXPENSES

Based on an Offer Price of [up to ₱17.50] per Offer Share, the Company estimates that the total proceeds from the Primary Offer, total expenses for the Primary Offer and the net proceeds from the Primary Offer will be (excluding any additional expenses that may be incurred in relation to the Over-allotment Option):

Estimated total proceeds from the Primary Offer	**Up to ₱63,000.0 million**
Estimated expenses	
Underwriting and selling fees for Primary Offer Shares(1)	₱[1,890.0] million
PSE listing and processing fee	₱[184.5] million
Philippine SEC registration, filing and research fees	₱[20.6] million
Estimated professional fees(2)	₱[136.3] million

Estimated other expenses(3)	₱[252.2] million
Total expenses	₱[2,483.6] million
Estimated net proceeds from the Primary Offer	₱[60,516.4] million

Notes:

(1) The underwriting fee amount includes the fees of the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners and the Trading Participants. [The selling fee forms part of the underwriting fee.]

(2) This includes legal, accounting, public relations, industry consultant, escrow arrangement and data site fees.

(3) This includes [●].

Assuming full excise of the Over-allotment Option, based on an Offer Price of [up to ₱17.50] per Offer Share, the Company estimates that the net proceeds from the exercise of the Over-allotment Option (the **Over-allotment**) shall be as follows, after deducting the following fees, commissions and expenses:

Estimated total proceeds from the Over-allotment	Up to ₱9,450.0 million
Estimated expenses	
Underwriting and selling fees for the Over-allotment(1)	₱[283.5] million
Estimated other expenses(2)	₱[37.8] million
Total expenses	**₱[321.3] million**
Net proceeds from the Over-allotment	**₱[9,128.7] million**

Notes:

(1) The underwriting fee amount includes the fees of the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner, the International Co-Bookrunners and the Trading Participants. [The selling fee forms part of the underwriting fee.]

(2) This includes [●].

The Company will not receive any of the proceeds from the Over-allotment. The actual underwriting and selling fees and other Offer-related expenses may vary from the estimated amounts indicated above.

EXCHANGE RATES

Fluctuations in the exchange rates between the Philippine peso and the U.S. dollar and other foreign currencies will affect the equivalent in U.S. dollars and such other foreign currencies of the Philippine peso price of the Offer Shares on the PSE, of dividends distributed in Philippine pesos by the Company, if any, and of the Philippine peso proceeds received by investors on a sale of the Offer Shares on the PSE, if any. Fluctuations in such exchange rates will also affect the Philippine peso value of the Company's assets and liabilities which are denominated in currencies other than Philippine peso, if any.

The Philippine Dealing System (the **PDS**), a computer network supervised by the BSP, through which the members of the Bankers Association of the Philippines effect spot and forward currency exchange transactions, was introduced in 1992. The PDS was adopted by the BSP as a means to monitor foreign exchange rates. The **BSP Rate** is the average rate for the purchase of U.S. dollars with Philippine pesos which is published in BSP's Reference Exchange Rate Bulletin and the major Philippine financial press on the following business day. As of December 29, 2020, the BSP Rate was ₱48.036 = U.S.$1.00.

The following table sets forth certain information concerning the exchange rate between the Philippine peso and the U.S. dollar for the periods and dates indicated, expressed in Philippine pesos per U.S.$1.00 based on the BSP Reference Exchange Rate Bulletin:

	Philippine peso/U.S. dollar exchange rate			
Year	**Period end**	**Average[1]**	**High[2]**	**Low[3]**
2017	49.9230	50.4037	51.7990	49.4040
2018	52.7240	52.6614	54.3450	49.7690
2019	50.7440	51.7958	52.8870	50.4890
2020	48.0360	49.6241	51.3200	48.0330
January	50.9040	50.8386	51.1610	50.5120
February	50.9370	50.7448	51.0470	50.4900
March	51.0440	50.9036	51.3200	50.5070
April	50.5890	50.7349	50.9110	50.5890
May	50.7270	50.5556	50.7870	50.2820
June	49.8510	50.0972	50.5850	49.8510
July	49.2170	49.4675	49.8130	49.2010
August	48.6210	48.8433	49.1140	48.5040
September	48.4650	48.5057	48.6260	48.3670
October	48.4010	48.4822	48.6340	48.3080
November	48.1020	48.2521	48.3960	48.1020
December	48.0360	48.0637	48.1100	48.0330
2021				
January	48.1210	48.0614	48.1210	48.0210
February	48.6370	48.2042	48.1210	47.9520

Source: Reference Exchange Rate Bulletin, Treasury Department of the BSP.

[1] *Weighted average of the daily BSP Rates across the period.*

[2] *The highest daily BSP Rate for the period.*

[3] *The lowest daily BSP Rate for the period.*

DIVIDENDS AND DIVIDEND POLICY

The Board is authorized to declare dividends only from the Company's unrestricted retained earnings, representing the net accumulated earnings of the Company with its unimpaired capital, which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the Philippine SEC. The Board may not declare dividends which will impair the Company's capital. The Company may pay dividends in cash, property, or by the issuance of shares of stock. Cash and property dividends are subject to the approval of the Board, while stock dividends, in addition to the approval by the Board, require the approval of stockholders representing at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose and the approval by the Philippine SEC.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP. See "*Philippine Foreign Exchange and Foreign Ownership Controls*" on page 302.

The Revised Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion plans approved by the board of directors of the corporation; (ii) when the required consent of any financing institution or creditor to such distribution has not been secured; (iii) when retention is necessary under special circumstances, such as when there is a need for special reserves for probably contingencies; or (iv) when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

The Company is allowed under Philippine law to declare cash, property and stock dividends, subject to certain requirements. See "*Description of the Shares — Rights Relating to Shares — Dividend Rights*" on page 288.

Record Date

Pursuant to existing Philippine SEC rules, cash dividends declared by the Company must have a record date not less than ten days and more than 30 days from the date the cash dividends are declared.

With respect to stock dividends, the record date is to be not less than ten days and not more than 30 days from the date of shareholder approval. In either case, that the set record date is not to be less than ten trading days from receipt by the PSE of the notice of declaration. If no record date is set, under Philippine SEC rules, the record date will be deemed fixed at 15 days from the date of declaration. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC.

Pursuant to the Amended Rules Governing Pre-emptive and other Subscription Rights and Declaration of Stock and Cash Dividends of the Philippine SEC, all cash dividends and stock dividends declared by the Company shall be remitted to the Philippine Depository & Trust Corp. (the **PDTC**) for immediate distribution to participants not later than 18 trading days after the record date (the **Payment Date**); provided that in the case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date. If the stock dividend shall come from an increase in capital stock, all stock shall be credited to PDTC for immediate distribution to its participants not later than 20 trading days from the record date set by the Philippine SEC, which in no case shall be later than the stock dividends' listing date.

In accordance with the PSE disclosure rules, for all cash and stock dividends accruing to shares lodged with the PDTC, whether from unissued capital or resulting from an increase in capital stock, the same shall be remitted/credited to the PDTC for immediate distribution to its participants not later than 18 trading days from the record date.

Dividends

The following table sets out dividends declared by the Company from January 1, 2018 to the date of this Prospectus.

Declaration date	Record date	Payment date	Dividend per share (₱)	Total dividend (₱ in millions)
November 7, 2018	November 7, 2018	November 30, 2018	24.50	1,609.7
December 7, 2018	December 7, 2018	December 31, 2018	1.55	101.8
June 26, 2019	June 26, 2019	June 30, 2019	46.50	3,055.1
November 6, 2019	November 6, 2019	November 30, 2019	0.32	2,102.4
November 5, 2020	November 5, 2020	November 30, 2020	0.23	1,511.1
October 1, 2020	October 1, 2020	October 31, 2020	0.15	985.5
January 22, 2021	January 22, 2021	March 31, 2021	0.23	1,511.1
March 1, 2021	March 1, 2021	On or before December 31, 2021	1.19	8,549.3

The following table sets out dividends made by the Company's subsidiaries to the Company in 2018, 2019 and 2020. No dividend has been paid by the Company's subsidiaries to the Company in 2021.

	For year ended December 31,		
	2018	2019	2020
		₱	
KBT International Holding Inc.	20,300,000	6,960,000	16,000,000
Monde MY San Corporation	1,687,500,000	1,800,000,000	2,531,250,000
Monexco International Ltd[1]	–	2,048,666,586	–

Note:

1. Monexco International Ltd paid dividends to Monde Nissin Holdings (Thailand) Ltd., which is an indirect wholly-owned subsidiary of the Company.

At the meeting of the Board held on March 12, 2021, the Board resolved to adopt and maintain an annual dividend payment ratio of 60% of the preceding fiscal year's net income after tax, subject to the requirements of applicable laws and regulations, capital expenditure requirements, compliance with the Company's loan covenants, and other circumstances which restrict the payment of dividends.

The Board will periodically review the amount of dividends to be paid and the frequency of dividend payment in light of the Company's earnings, financial condition, cash flows, capital requirements and other considerations while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Company can operate on a standalone basis.

Dividends shall be declared and paid out of the Company's unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, the Board, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of the Company's earnings, cash flow, return on equity and retained earnings;
- its results for and its financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- the projected levels of capital expenditures and other investment programs;

- restrictions on payments of dividends that may be imposed on it by any of its financing arrangements and current or prospective debt service requirements;
- the classes of shares held by the shareholders; and/or
- such other factors as the Board deems appropriate.

The Company cannot provide any assurance that it will pay any dividends in the future.

DETERMINATION OF THE OFFER PRICE

The final Offer Price will be set through a book-building process and discussions among the Company and the Joint Global Coordinators and the Local Lead Underwriters, and the maximum Offer Price will be [up to ₱17.50] per Offer Share.[41] Since the Offer Shares have not been listed on any stock exchange, there has been no market price for Shares derived from day-to-day trading.

The factors considered in determining the Offer Price were, among others, the Company's ability to generate earnings and cash flow, the Company's short- and long-term prospects, the level of demand from institutional investors, overall market conditions at the time of launch of the Offer and the market prices of listed comparable food and beverage companies, with reference to the relevant country's stock market index. The Offer Price does not have any correlation to the book value of the Offer Shares.

[41] On March 1, 2021, a majority of the Board and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine SEC. The numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned reduction of par value.

CAPITALIZATION

The following table sets out the Company's loans payable, convertible note, equity, and capitalization as of December 31, 2020 and as adjusted to reflect the sale of the Offer Shares based on an Offer Price of [up to ₱17.50] per Offer Share, assuming no exercise of the Over-allotment Option, and the use of proceeds as described in this Prospectus.

The table should be read in conjunction with the Group's consolidated financial statements and the notes thereto included in this Prospectus beginning on page F-1, and is based on the assumption that the Offer Price is [up to ₱17.50] per Offer Share. Except as set out below, there has been no material change in the Company's capitalization since December 31, 2020.

	Actual as of December 31, 2020		As adjusted after giving effect to the Offer	
	(₱ million)	(U.S.$ million)	(₱ million)	(U.S.$ million)
Current portion of loans payable	9,559	199.0	[●]	[●]
Loans payable (Noncurrent)	19,986	416.1	[●]	[●]
Convertible note	7,027	146.3	[●]	[●]
Equity:				
Capital stock	6,570	136.8	[●]	[●]
Retained earnings[1]	23,653	492.4	[●]	[●]
Fair value reserve of financial assets at FVOCI	(235)	(4.9)	[●]	[●]
Remeasurement losses on pension liability	(290)	(6.0)	[●]	[●]
Equity reserve	(90)	(1.9)	[●]	[●]
Cumulative translation adjustment	(4,366)	(90.9)	[●]	[●]
Non-controlling interests	1,298	27.0	[●]	[●]
Total equity	26,540	552.5	[●]	[●]
Total capitalization[2]	63,112	1,313.9	[●]	[●]

Note:

1. On January 22, 2021 and March 1, 2021, the Company declared dividend payments of ₱1,511.1 million and ₱8,549.3 million in aggregate, which are to be paid on March 31, 2021 and on or before December 31, 2021, respectively. For details, see "*Dividends and Dividend Policy — Dividends*" on page 91.
2. Total capitalization is calculated as sum of current portion of loans payable, loans payable (Noncurrent), convertible note, and total equity.

DILUTION

As of December 31, 2020, the Company's net tangible book value per Share was (₱1.27). Net tangible book value per Share represents total assets minus intangible assets, total liabilities and non-controlling interests, divided by the total number of Shares outstanding. After giving effect to the sale of the Primary Offer Shares (at an Offer Price of up to ₱17.50 per Primary Offer Share), the increase in capital[42], acquisition of non-controlling interest in MMYSC[43] and the reduction in par value[44] and deducting estimated discounts, commissions, estimated fees and expenses of the Offer, the net tangible book value per Share would increase to ₱2.97 per Offer Share. At the Offer Price of up to ₱17.50, the Shares will be purchased at a premium of ₱14.53 to net tangible book value per Share.

The following table illustrates dilution on a per Share basis based on an Offer Price of [up to ₱17.50] per Primary Offer Share assuming full exercise of the Over-allotment Option:[45]

Offer Price per Primary Offer Share	[Up to ₱17.50]
Net tangible book value per Share as of December 31, 2020[46]	(₱1.27)
Difference between Offer Price per Primary Offer Share and net tangible book value per Offer Share as of December 31, 2020	₱18.77
Pro forma net tangible book value per share after the increase in capital, acquisition of non-controlling interest in MMYSC, reduction in par value and the Offer[47]	₱2.97
Dilution to investors in the Offer[48]	₱14.53

The exercise of the Over-allotment Option will not result in any dilution on a per Share basis, as all Option Shares are being offered by the Selling Shareholder.

The following table sets out the shareholdings, and percentage of Shares outstanding, of existing and new shareholders of the Company immediately after completion of the Offer, assuming full exercise of the Over-allotment Option:[49]

	Number of Shares	%
Existing shareholders	13,828,611,496	[77.0]%
New investors	[4,140,000,000]	[23.0]%
Total	[17,968,611,496]	100.0%

See also "*Risk Factors — Risks Relating to the Offer and the Offer Shares — Future sales of Shares in the public market may adversely affect the prevailing market price of the Shares and shareholders may experience dilution in their holdings*" on page 82.

[42] Increased capital includes shares issued to My Crackers, Inc. On January 11, 2021, the Company entered into a subscription agreement with My Crackers, Inc. for the subscription of 614,305,748 common shares of the Company for a total subscription price of ₱1,818,345,014 which were issued in February 2021.
[43] On January 28, 2021, the Company purchased from My Crackers, Inc. the latter's 4,500,000 common shares in MMYSC representing 40% of the outstanding capital stock of MMYSC for ₱1,822,500,000. This increased the Company's ownership interest from 60% in 2020 to 100% in 2021 and decreased the Group's non-controlling interest by ₱1,195,696,446.
[44] On March 1, 2021, a majority of the Board and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine SEC. The numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned reduction of par value.
[45] See footnote 44.
[46] Total equity attributable to the equity holders of the Company less intangible assets divided by the outstanding shares as of December 31, 2020.
[47] Pro forma net tangible book value per share after the increase in capital, acquisition of non-controlling interest in MMYSC, reduction in par value and the Offer is computed as net tangible book value per share after considering the (1) issuance of 614,305,748 common shares to My Crackers, Inc. for a total subscription price of ₱1,818,345,014, (2) acquisition of non-controlling interest in MMYSC amounting to ₱1,822,500,000 which resulted in a decrease in non-controlling interest by ₱1,195,696,446 and recognition of equity reserve amounting to ₱626,803,554, (3) the reduction in par value described in footnote 44 and (4) the Offer.
[48] Offer Price less pro forma net tangible book value per share after the increase in capital, acquisition of non-controlling interest in MMYSC, reduction in par value and the Offer.
[49] See footnote 44.

SELECTED FINANCIAL AND OPERATING INFORMATION

The following tables present selected financial information of the Group. This selected data should be read in conjunction with the independent auditors' report and with the audited consolidated financial statements of the Group and notes thereto contained in this Prospectus and the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 140. The Company's selected financial data as of and for the years ended December 31, 2018, 2019 and 2020 were derived in each case from the audited consolidated financial statements of the Group included elsewhere in this Prospectus. The Group's financial information below should not be considered indicative of the results of future operations. Furthermore, the translation of Philippine peso amounts into U.S. dollars as of and for the year ended December 31, 2020 is provided for convenience only and is unaudited. For readers' convenience only, amounts in Philippine pesos were converted to U.S. dollars using (i) the simple weighted average rate of the BSP weighted average for each month of 2020, which is ₱49.6241 = U.S.$1.00, for figures from the Group's consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2020, and (ii) the BSP Rate (as defined below) as of December 29, 2020 of ₱48.036 = U.S.$1.00 for figures from the Group's consolidated statement of financial position as of December 31, 2020.

CONSOLIDATED STATEMENTS OF INCOME

	For the year ended December 31,			
	2018[50]	**2019**	**2020**	**2020**
		(Audited)		**(Unaudited)**
	(₱ in millions, except EPS numbers)			**(U.S.$ in millions)**
Net sales	63,367	65,451	67,946	1,369.2
Cost of goods sold	39,182	40,194	41,440	835.1
Gross profit	24,185	25,257	26,506	534.1
Sales, general and administrative expenses	14,917	13,141	13,409	270.2
Operating profit	9,268	12,116	13,097	263.9
Other income (expenses)				
Impairment loss	(825)	(791)	(1,014)	(20.4)
Foreign exchange gain – net	157	88	914	18.4
Share in net losses of associates and joint ventures	(137)	(251)	(98)	(2.0)
Gain (loss) on sale of property, plant and equipment	(17)	(82)	3	0.1
Miscellaneous income	452	356	247	5.0
	(370)	(680)	52	1.1
Income before finance income (expenses)	8,898	11,436	13,149	265.0
Finance income (expenses)				
Interest expense	(2,077)	(2,438)	(1,786)	(36.0)
Interest income	108	304	263	5.3
Derivative gain (loss)	17	(178)	99	2.0
	(1,952)	(2,312)	(1,424)	(28.7)
Income before income tax	6,946	9,124	11,725	236.3
Provision for (benefit from) income tax				
Current	1,957	2,641	3,194	64.4
Deferred	329	(166)	465	9.4
	2,286	2,475	3,659	73.8
Net income from continuing operations	4,660	6,649	8,066	162.5
Net loss after tax from discontinued operations	(1,932)	—	—	—
Net income	2,728	6,649	8,066	162.5

[50] Refer to footnote 36.

	For the year ended December 31,			
	2018[50]	2019	2020	2020
		(Audited)		(Unaudited)
	(₱ in millions, except EPS numbers)			(U.S.$ in millions)
Other comprehensive income (loss)				
Other comprehensive loss to be reclassified to profit and loss in subsequent periods:				
Exchange losses on foreign currency translation (including effective portion of the net investment hedge)	(244)	(758)	(1,100)	(22.2)
Other comprehensive income (loss) not to be reclassified to profit and loss in subsequent periods:				
Loss on financial assets at fair value through other comprehensive income	(118)	—	—	—
Remeasurement gain (loss) on defined benefit plans	30	34	(331)	(6.7)
Income tax effect	(7)	(12)	98	2.0
	23	22	(233)	(4.7)
Other comprehensive income (loss) – net of tax	(339)	(736)	(1,333)	(26.9)
Total comprehensive income	2,389	5,913	6,733	135.6
Net income from continuing operations attributable to:				
Equity holders of the Company	3,972	5,827	7,341	147.9
Non-controlling interests	688	822	725	14.6
	4,660	6,649	8,066	162.5
Net loss from discontinued operations attributable to:				
Equity holders of the Company	(1,932)	—	—	—
Non-controlling interests	—	—	—	—
	(1,932)	—	—	—
Total comprehensive income attributable to:				
Equity holders of the Company	1,700	5,108	6,013	121.2
Non-controlling interests	689	805	720	14.5
	2,389	5,913	6,733	135.7
Earnings per Share (EPS)				
Basic, income attributable to equity holders of the parent	₱0.31	₱0.89	₱1.12	U.S.$0.02
Diluted, income attributable to equity holders of the parent	₱0.31	₱0.95	₱1.05	U.S.$0.02
EPS from continuing operations				
Basic, income attributable to equity holders of the parent	₱0.60	₱0.89	₱1.12	U.S.$0.02
Diluted, income attributable to equity holders of the parent	₱0.60	₱0.95	₱1.05	U.S.$0.02

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31,			
	2018[51]	**2019**	**2020**	**2020**
		(Audited)		**(Unaudited)**
		(₱ in millions)		**(U.S.$ in millions)**
ASSETS				
Current Assets				
Cash and cash equivalents	6,578	10,499	7,093	147.7
Trade and other receivables	7,242	7,276	6,457	134.4
Inventories	6,152	5,859	6,073	126.4
Loans receivable	4,937	—	—	—
Prepayments and other current assets	849	701	972	20.2
Total Current Assets	25,758	24,335	20,595	428.7
Noncurrent Assets				
Intangible assets	34,709	34,336	33,600	699.5
Property, plant and equipment	21,194	24,121	26,637	554.5
Investments in associates and joint ventures	1,001	993	1,024	21.3
Deferred tax assets – net	755	883	843	17.6
Noncurrent receivables	500	500	655	13.6
Other noncurrent assets	1,049	786	1,048	21.8
Total Noncurrent Assets	59,208	61,619	63,807	1,328.3
Total Assets	84,966	85,954	84,402	1,757.0
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and other current liabilities	9,648	9,016	10,141	211.1
Acceptances and trust receipts payable	2,405	2,594	606	12.6
Current portion of loans payable	11,471	11,246	9,559	199.0
Refund liabilities	342	259	280	5.8
Current portion of lease liabilities	—	31	88	1.8
Income tax payable	379	700	282	5.9
Total Current Liabilities	24,245	23,846	20,956	436.2
Noncurrent Liabilities				
Loans payable	32,533	22,776	19,986	416.1
Convertible note	—	7,258	7,027	146.3
Deferred tax liabilities – net	4,005	3,929	4,200	87.4
Derivative liability	718	2,714	2,514	52.3
Lease liabilities	—	2,013	2,675	55.7
Pension liability	235	190	482	10.0
Other noncurrent liabilities	—	6	22	0.5
Total Noncurrent Liabilities	37,491	38,886	36,906	768.3
Total Liabilities	61,736	62,732	57,862	1,204.5
Equity				
Capital stock	6,570	6,570	6,570	136.8
Retained earnings:				
Appropriated	9,794	8,961	11,155	232.2
Unappropriated	8,395	9,848	12,498	260.2
Fair value reserve of financial assets at FVOCI	(235)	(235)	(235)	(4.9)
Remeasurement losses on pension liability	(94)	(63)	(290)	(6.0)
Equity reserve	(97)	(90)	(90)	(1.9)
Cumulative translation adjustments	(2,515)	(3,266)	(4,366)	(90.9)

[51] Refer to footnote 36.

	As of December 31,			
	2018[51]	**2019**	**2020**	**2020**
		(Audited)		**(Unaudited)**
		(₱ in millions)		**(U.S.$ in millions)**
Equity Attributable to Equity Holders of the Company	21,818	21,725	25,242	525.5
Non-controlling Interests	1,412	1,497	1,298	27.0
Total Equity	23,230	23,222	26,540	552.5
Total Liabilities and Total Equity	84,966	85,954	84,402	1757.0

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,			
	2018[52]	2019	2020	2020
		(Audited)		(Unaudited)
		(₱ in millions)		(U.S.$ in millions)
Net cash flow from operating activities	9,975	11,931	11,397	229.7
Net cash flows from (used in) investing activities	(4,811)	1,178	(4,484)	(90.4)
Net cash used in financing activities	(3,890)	(9,188)	(10,250)	(206.6)
Net increase (decrease) in cash and cash equivalents	1,274	3,921	(3,337)	(67.3)
Effect of foreign exchange rate changes on cash and cash equivalents	(8)	—	(69)	(1.4)
Cash and cash equivalents at beginning of year	5,312	6,578	10,499	206.9
Translation adjustment	—	—	—	9.5
Cash and cash equivalents at end of year	6,578	10,499	7,093	147.7

[52] Refer to footnote 36.

OTHER FINANCIAL DATA

EBITDA Reconciliation

	For the Year Ended December 31,			
	2018	2019	2020	2020
		(Audited) (₱ in millions)		(Unaudited) (U.S.$ in millions)
Income before Income Tax	6,946	9,124	11,725	236.3
Interest Expense	2,077	2,438	1,786	36.0
Interest Income	(108)	(304)	(263)	(5.3)
EBIT[(1)]	8,915	11,258	13,248	267.0
Derivative (Gain)/Loss	(17)	178	(99)	(2.0)
Impairment Loss	825	791	1,014	20.4
Foreign Exchange Gain – Net	(157)	(88)	(914)	(18.4)
(Gain)/Loss on sale of shares	—	(14)	—	—
Depreciation and Amortization Expense	1,883	2,053	2,303	46.4
EBITDA[(2)]	11,449	14,178	15,552	313.4

Note:

(1) EBIT means earnings before interest and taxes, which is computed as the Group's income before income tax before interest expense and interest income.

(2) EBITDA means earnings before interest, taxes, depreciation and amortization, which is computed as the Group's income before income tax before interest expense, interest income, derivative gain and loss, depreciation and amortization expense, impairment loss and foreign exchange net gain.

The following tables set out EBITDA reconciliation with respect to the Group's business segments for the years indicated:

	For the Year Ended December 31,2020		
	APAC BFB	Meat Alternative	Total
		(in ₱ millions) (audited)	
Income before Income Tax	11,137	588	11,725
Interest Expense	1,517	269	1,786
Interest Income	(257)	(6)	(263)
EBIT	12,397	851	13,248
Derivative (Gain) /Loss	(99)	0	(99)
Impairment Loss	230	784	1,014
Foreign Exchange Gain - Net	(901)	(13)	(914)
(Gain)/Loss on Sale of Shares	—	—	—
Depreciation and Amortization Expense	1,642	661	2,303
EBITDA	**13,269**	**2,283**	**15,552**

	For the Year Ended December 31,2019		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions) (audited)		
Income before Income Tax	7,913	1,211	9,124
Interest Expense	2,245	193	2,438
Interest Income	(298)	(6)	(304)
EBIT	9,860	1,398	11,258
Derivative (Gain) /Loss	178	—	178
Impairment Loss	679	112	791
Foreign Exchange Gain - Net	(136)	48	(88)
(Gain)/Loss on Sale of Shares	(14)	—	(14)
Depreciation and Amortization Expense	1,585	468	2,053
EBITDA	**12,152**	**2,026**	**14,178**

	For the Year Ended December 31,2018		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions) (audited)		
Income before Income Tax	5,467	1,479	6,946
Interest Expense	2,077	—	2,077
Interest Income	(108)	—	(108)
EBIT	7,436	1,479	8,915
Derivative (Gain) /Loss	(17)	—	(17)
Impairment Loss	825	—	825
Foreign Exchange Gain - Net	(161)	4	(157)
(Gain)/Loss on Sale of Shares	—	—	—
Depreciation and Amortization Expense	1,467	416	1,883
EBITDA	**9,550**	**1,899**	**11,449**

Key Financial Ratios

	For the year ended December 31,		
	2018	**2019**	**2020**
Current ratio	1.06	1.02	0.98
Acid test ratio	0.57	0.75	0.65
Solvency ratio	6.4%	12.6%	16.7%
Debt-to-equity ratio	2.83	2.89	2.29
Asset-to-equity ratio	3.89	3.96	3.34
Interest rate coverage ratio	4.29	4.62	7.42
Return on equity	9.3%	26.8%	31.3%
Return on assets	2.4%	6.8%	8.6%
Net sales growth	10.6%	3.3%	3.8%
Gross margin	38.2%	38.6%	39.0%
Net profit margin	4.3%	10.2%	11.9%
Net profit after tax (**NPAT**) growth	1.9%	42.7%	21.3%
EBITDA growth	9.2%	23.8%	9.7%
EBITDA margin	18.1%	21.7%	22.9%
Return on invested capital	29.4%	34.2%	33.7%

The manners by which the ratios are computed are as follows:

Financial ratio	Formula
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Acid test ratio	$\frac{\text{Cash and cash equivalents + Current receivables}}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Net income attributable to equity holders of the Company + Depreciation and amortization}}{\text{Total liabilities}}$
Debt-to-equity ratio	$\frac{\text{Total liabilities (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Asset-to-equity ratio	$\frac{\text{Total assets (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Interest rate coverage ratio	$\frac{\text{EBIT}}{\text{Interest Expense}}$
Return on equity	$\frac{\text{Net income attributable to equity holders of the Company}}{\text{Equity attributable to equity holders of the Company (average)*}}$
Return on assets	$\frac{\text{Net income attributable to equity holders of the Company}}{\text{Total assets (average)*}}$
Net Sales growth	$\frac{\text{Current period net sales – prior period net sales}}{\text{Prior period net sales}}$
Gross margin	$\frac{\text{Gross profit}}{\text{Net sales}}$
Net profit margin	$\frac{\text{Net income}}{\text{Net sales}}$
Net profit after tax growth	$\frac{\text{Current period NPAT – prior period NPAT}}{\text{Prior Period NPAT}}$
EBITDA Growth	$\frac{\text{Current period EBITDA – prior period EBITDA}}{\text{Prior period EBITDA}}$
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net sales}}$
Return on Invested Capital	$\frac{\text{EBIT – income tax expense}}{\text{Working capital + property, plant and equipment}}$

Note:

* (average) means average of the amounts from the beginning and end of the same period.

INDUSTRY OVERVIEW BY EUROMONITOR

A CUSTOM REPORT COMPILED BY EUROMONITOR INTERNATIONAL

for

Monde Nissin Corporation

- March 2021

www.euromonitor.com

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Sources of Information

We commissioned a report from Euromonitor (the **Euromonitor Report**) to conduct an analysis of, and to report on, the packaged food industry in the Philippines and Thailand. A total fee of USD97,000 was paid to Euromonitor for the preparation of the Euromonitor Report. Established in 1972, Euromonitor is the world leader in strategy research for both consumer and industrial markets. The Euromonitor Report has been compiled after thorough and diligent research conducted by Euromonitor's Cape Town and Singapore office. The market research process was undertaken through a top-down central research and bottom-up intelligence to present a comprehensive and accurate picture of the consumer foodservice industry in the mentioned markets. Euromonitor's detailed research involved: (i) primary research which involved interviews with a sample of leading industry participants and industry experts for latest data and insights on future trends and to verify and cross-check the consistency of data and research estimates; (ii) secondary research involving the review of published sources and official sources such as the National Statistics Office of the Philippines, specialist trade press, trade associations and company reports including audited financial statements where available and independent research reports; (iii) projected data were obtained from historical data analyses plotted against macroeconomic data with reference to specific industry-related drivers; and (iv) reviewing and cross-checking all sources and independent analyses to build final estimates including the size, drivers and future trends of packaged food in the respective countries, namely, the Philippines and Thailand; and preparing the final report. With both primary and secondary research in place, Euromonitor has utilized both types of sources to validate all data and information collected, with no reliance on any single source. Furthermore, a test of each respondent's information and views against those of others is applied to ensure reliability and eliminate bias from these sources.

Forecasting Bases and Assumptions

Euromonitor prepared the Euromonitor Report based on the following assumptions: (i) the economies of the Philippines and Thailand are expected to maintain steady growth over the forecast period (2020 to 2025); (ii) the social, economic, and political environments of the Philippines and Thailand are expected to remain stable during the forecast period; and (iii) key market drivers including increasing disposable income and food expenditure, a growing population and greater access to product categories are likely to drive the future growth of the respective scoped countries' retail channels across the scoped product categories in this report. The research results may be affected by the accuracy of these assumptions and the choice of these parameters. The market research was completed in February 2021 and all statistics in the Euromonitor Report are based on information available at the time of reporting. Euromonitor's forecast data comes from analysis of

historic development of the market, the economic environment and underlying market drivers, and is cross-checked against established industry data and trade interviews with industry experts.

About Euromonitor

Established in 1972, Euromonitor International is the world leader in strategy research for both consumer and industrial markets. Comprehensive international coverage and leading-edge innovation make our products essential resources for companies large and small, national and global. With offices around the world and analysts in 80 countries, the company is a leading provider of global market intelligence. Our products and services are held in high regard by the international business community and we have 5,000 active clients, including 90% of the Fortune 500 companies.

Definitions

- **Savory Biscuits:** Non-sweet biscuits and crackers often consumed with cheese and other savory foods. Also includes cream crackers, *apéritif* or small size savory biscuits and savory biscuits with cream filling. Dry savory biscuits used as bread substitutes are included here, e.g. crisp breads, stick breads, etc. This also includes toasted bread (e.g. biscottes) and tostados. *Note: Also includes savory biscuits packaged alongside a savory spread (i.e. processed cheese).*

- **Sweet Biscuits:** This is the aggregation of chocolate coated biscuits, cookies, filled biscuits, plain biscuits and wafers.

- **Instant Noodles:** Dehydrated noodles that come pre-packaged in a pouch, cup or bowl, often accompanied by sachets of dehydrated seasoning or condiments, and which are ready to eat after the addition of boiling water. *Note: Pouch/cups/bowl instant noodles combined with dehydrated vegetables (e.g. peas, mushrooms, etc.) or dehydrated sauces are also included.*

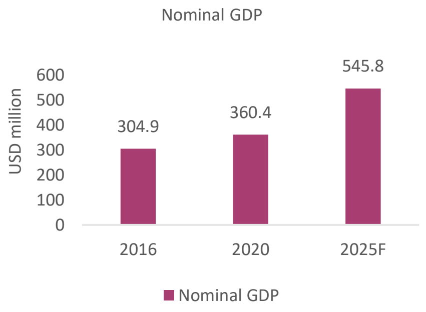
Macroeconomic Overview of the Philippines

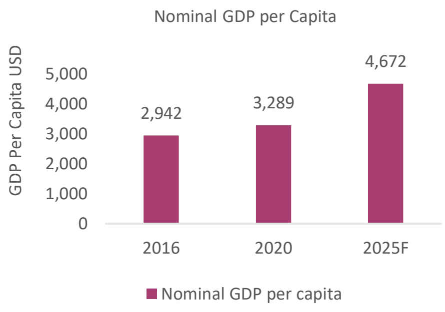
Economic growth contracted in 2020

The Philippines is one of Asia's better-performing countries in terms of economic growth over the past few years. However, real GDP contracted by 10% in 2020 after gains of 6.0% in 2019. Although growth returned in the third quarter, the massive contraction in quarter two caused by the government's social distancing, COVID-19 pandemic measures weighed on domestic demand, and the slowdown abroad caused by COVID-19, affected tourism, trade and remittances. Global supply chains were also disrupted, affecting manufacturing and merchandise exports.

Nominal GDP per capita was USD2,942 in 2016 rising to USD3,289 in 2020 (CAGR 2.8%). The nominal GDP per capita is expected to increase substantially to USD4,672 in 2025 (CAGR 7.3%), driven by rising employment, positive economic recovery, higher wages and consumer spending. The economic outlook remains favorable thanks in part to the Philippines' youthful and growing population. Assuming the pandemic remains contained and a vaccine is widely available by mid-2021, growth of real GDP is expected to bounce back to 7.0% in 2021. The Real GDP growth rate is expected to reach 5% in 2025.

Nominal GDP CAGR (2016-20) 4.3%	Nominal GDP CAGR (2020-25F) 8.7%	Per Capita CAGR (2016-20) 2.8%	Per Capita CAGR (2020-25F) 7.3%

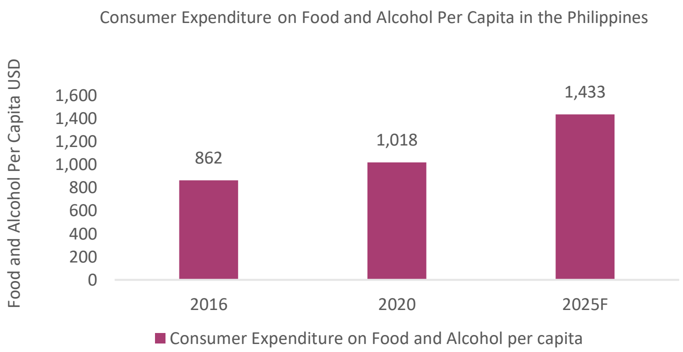




Source: Euromonitor Report

Consumer goods spending hit by lockdown measures

Consumer expenditure on food and alcohol per capita amounted to USD862 in 2016. In 2020, the indicator rose to USD1,018 (CAGR 4.2% over the review period) and is expected to continue increasing over the forecast period to reach USD1,433 (CAGR 7.1%) in 2025. Disposable income per capita totalled USD2,139 in 2016 and USD2,464 in 2020 (CAGR 3.6%). By 2025, total disposable income will increase to USD3,475 per capita, growing at an average annual rate of 7.1% over the forecast period. The forecast growth is expected to be driven by increasing remittance inflows from overseas working Filipinos, an improving labor market situation, and robust economic activity over the forecast period.

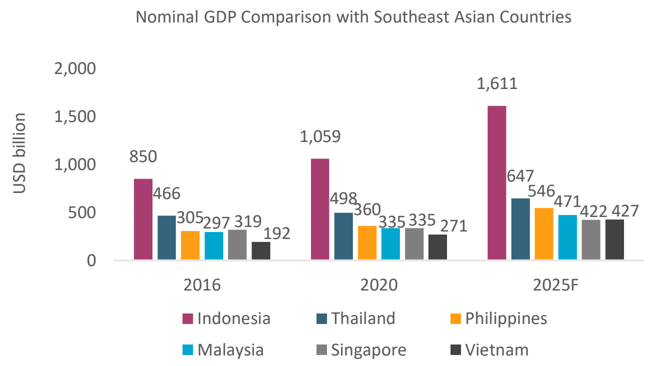


Source: Euromonitor Report

Macroeconomic Overview of Southeast Asia (Thailand)

Thai economic growth impacted negatively by reduced tourism revenue in 2020

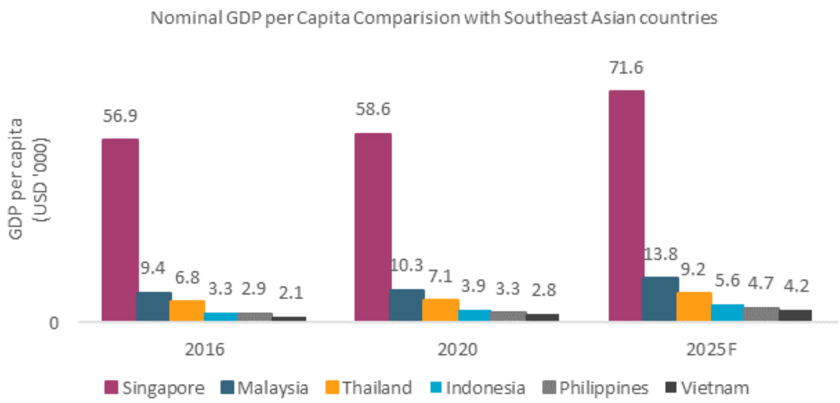
Thailand is Southeast Asia's (**SEA**) second largest economy by nominal GDP behind Indonesia but the economy has been held back in recent years by political uncertainties created by the frequent changes in government. The Thai economy contracted by 6.9% in 2020 along with other SEA countries, such as Singapore and Malaysia, contracting 6.3% and 5.9%, respectively, in 2020, impacted by loss in tourism, retail, manufacturing trade and COVID-19 lockdown measures. Consumer confidence has also plummeted and investment has taken a nosedive.



Country	Real GDP Growth rate (%) 2016	Real GDP Growth rate (%) 2020	Real GDP Growth rate (%) 2025
Indonesia	3.4 %	-2.3%	5.0%
Thailand	3.4%	-7.0%	2.8%
Philippines	7.1%	-9.5%	5.0%
Malaysia	4.5%	-6.0%	4.0%
Singapore	3.2%	-6.3%	2.0%
Vietnam	6.2%	2.5%	5.5%

Source: Euromonitor Report

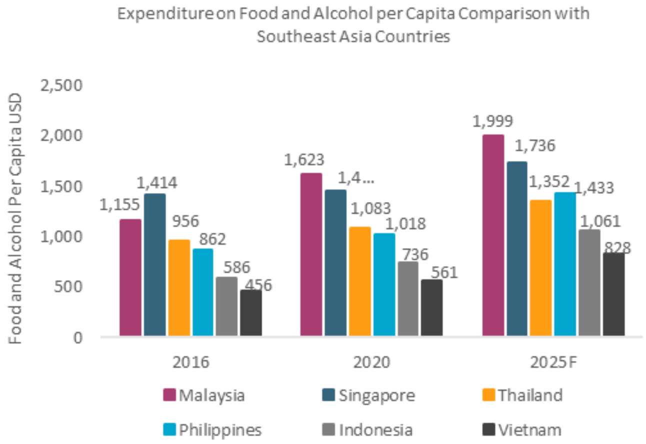
Nominal GDP per capita in Thailand increased to USD7,131 from USD6,759 over 2016 to 2020 (CAGR 1.3%), higher than the Philippines, Malaysia and Vietnam. The growth of nominal GDP per capita has translated to higher disposable income for Thai consumers. In the longer term, the economy is expected to resume a trend towards healthy growth, with nominal GDP projected to register a CAGR of 5.4% over the forecast period. Indonesia, Malaysia and Vietnam are expected to have larger nominal GDP growth at 8.7%, 7.1% and 9.5%, respectively. Consumer incomes are expected to continue to rise and provide support for consumer expenditure growth.



Source Euromonitor Report

Increasing consumer spending dependent on recovery in tourism and agricultural sectors

In 2020, consumer expenditure on food and alcohol per capita amounted to USD1,083, up from USD956 in 2016 (CAGR 3.2%), and growing higher than Vietnam and Singapore in absolute value terms over the review period. Thai expenditure on food and alcohol is expected to rise by a 4.5% CAGR to 2025, driven by increased consumption and increased consumer incomes. Disposable income per capita totalled USD3,907 in 2020 in Thailand. During the period 2020-2025, total disposable income will increase by 37.6% in absolute terms and in real terms, growing at an average annual rate of 3.4%.



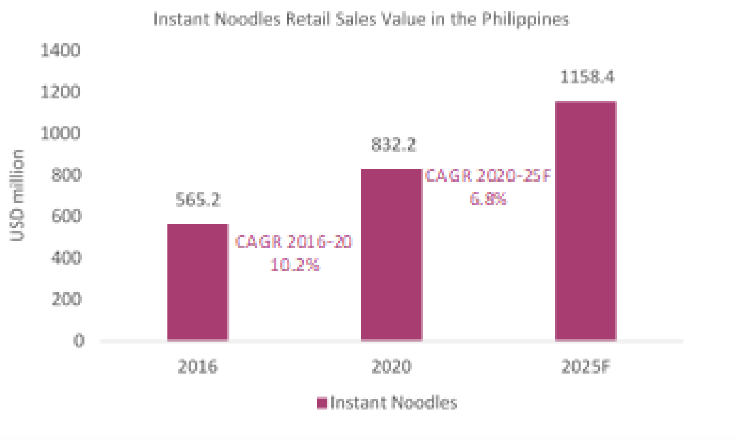
Country	CAGR (%) 2016-2020	CAGR (%) 2020-2025
Malaysia	8.9%	4.3%
Singapore	0.6%	3.7%
Thailand	3.2%	4.5%
Philippines	4.2%	7.1%
Indonesia	5.9%	7.6%
Vietnam	5.3%	8.1%

Source: Euromonitor Report

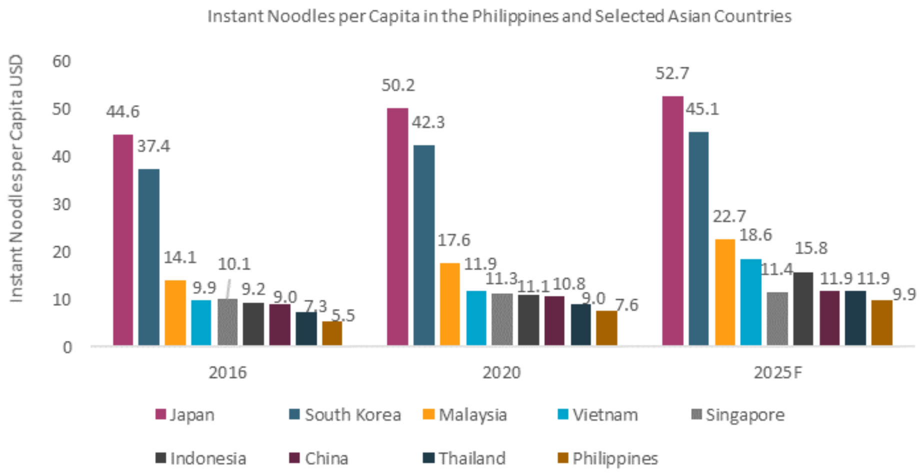
Instant Noodles in the Philippines

Convenience and affordability drive growth

Instant noodles retail sales value in the Philippines posted a CAGR of 10.2% over 2016 to 2020 to reach USD832.2 million in 2020 from USD565.2 million in 2016. Convenience, long shelf life, flavor diversity and affordability are some of the key features that make instant noodles a popular staple. However, several socioeconomic changes, as well as increasing new product innovation and brand awareness are fundamental in driving such growth. Meanwhile, the onset of COVID-19, which led to an increase in at-home consumption of staples, contributed to the abnormally high sales growth in 2020. The instant noodle per capita is USD7.6 in 2020 in the Philippines, lower than other Asian countries like Indonesia (USD11.1) and Thailand (USD9.0). Instant noodles retail sales value in the Philippines is projected to a CAGR of 6.8% over 2020 to 2025 to a value of USD1,158.4 million in 2025.



Source: Euromonitor Report



Source: Euromonitor Report

Key Market Drivers for Instant Noodles in the Philippines

Younger and growing population

A much younger and growing population is acting as a fundamental source of demand for staple food products in the Philippines, including instant noodles. On average, the Filipino population has been growing at 1.5% annually over the past five years, with a median age of 25.7 in 2020, and is forecast a 1.3% CAGR over 2020-2025.

Convenience and affordablity of instant noodles

The associated busier lifestyles of the growing young working population are also adding to the popularity of instant noodles, given that they are easy to prepare and consume.

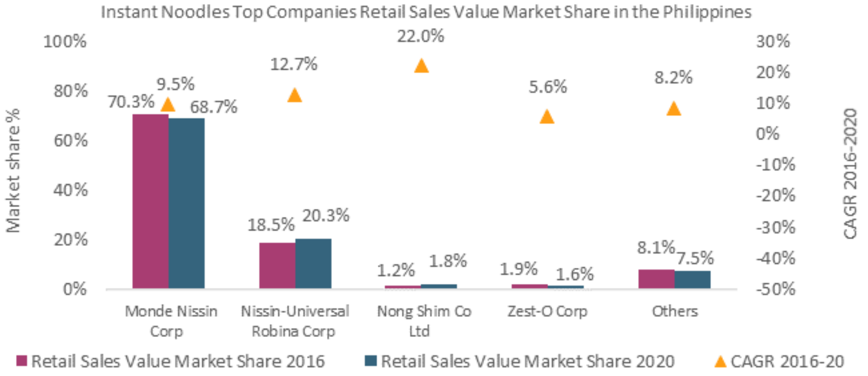
Increasing new product innovation

Increasing new product innovation, with new flavors and enhanced nutrition profiles, helps to keep the instant noodles market on a sustainable growth trajectory.

The Competitive Landscape for Instant Noodles in the Philippines

Monde Nissin Corporation is the leading player

The Filipino instant noodles market is concentrated in the hands of two leading local manufacturers, jointly holding 89% of value share in 2020. Monde Nissin Corporation has risen to the forefront, with a focus on promoting its core brand, Lucky Me!. The company offers a wide range of flavors for its instant noodles targeting a wide range of customers. Monde Nissin Corporation promotes its products as having no artificial preservatives added and fortified with essential micronutrients.

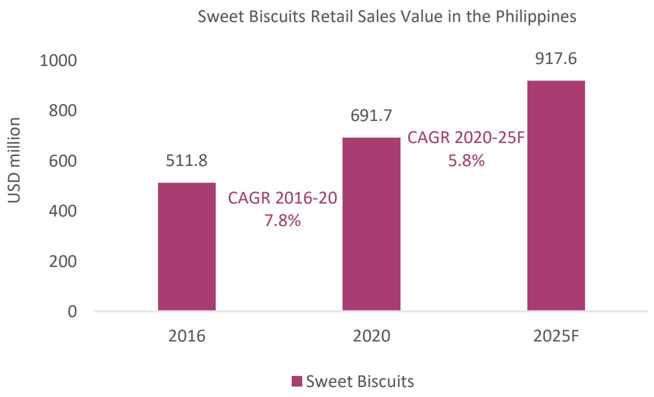


Source: Euromonitor Report

Sweet Biscuits in the Philippines

Sweet biscuits remained relatively resilient through COVID-19

Retail sales value of sweet biscuits in the Philippines posted a 7.8% CAGR over 2016 to 2020 to reach USD691.7 million in 2020. Sweet biscuits continued steady demand more than offset some supply chain disruption caused by COVID-19 impacts. Overall, future sweet biscuits demand in the Philippines is expected to grow positively over the forecast period. Value sales are expected to post a 5.8% CAGR over the forecast period to surpass USD917.6 million in 2025.



Source: Euromonitor Report

Key Market Drivers for Sweet Biscuits in the Philippines

Busier lifestyles and growing working population

The associated busier lifestyles of the growing young working population is also driving on-the-go consumption, and in turn, supporting the overall growth in snacks, including sweet biscuits.

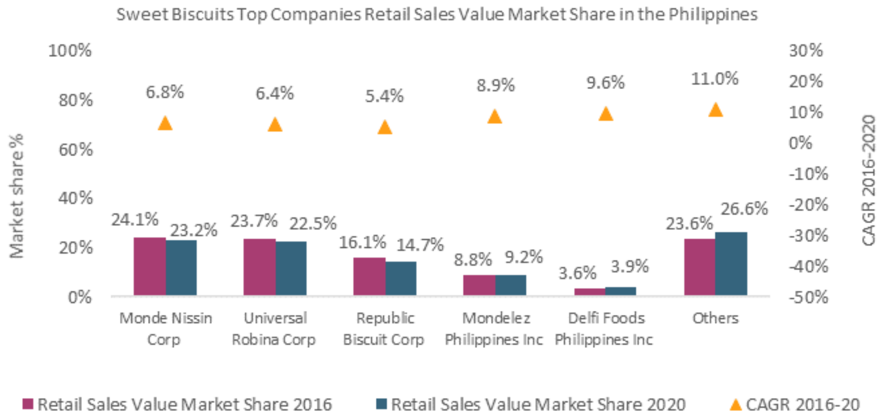
New product development remains important

New product developments and promotions are crucial for brands to stay competitive in changing operating environments, which also helps keep the sweet biscuits category on a sustainable growth trajectory.

The Competitive Landscape for Sweet Biscuits in the Philippines

Monde Nissin Corporation is the leading manufacturer in sweet biscuits

The Filipino sweet biscuits competitive landscape is made up of local and international biscuit manufacturers. The top four players jointly hold 69.5% of value share in 2020. Local companies are set to continue to dominate this market, however increasing competition from international players is being witnessed, like Mondelez Philippines. Local leading players like Monde Nissin Corporation have a long-term presence in the Filipino sweet biscuit market with well-established brands. Monde Nissin Corporation is leveraging its integrated local supply chain network to enhance its competitive advantage. Like Monde Nissin Corp, Universal Robina Corp started as a corn starch producer and has its own flour milling plant, which provides ingredients both to its branded food products, including sweet biscuits, and to sell on the market.

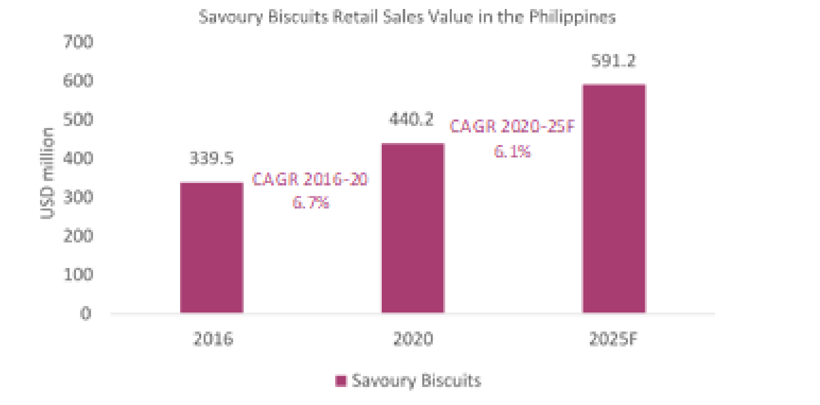


Source: Euromonitor Report

Savory Biscuits in the Philippines

Savory biscuits impacted by rising heath consciousness

Savory biscuits retail sales value posted a 6.7% CAGR over 2016 to 2020 to reach USD440.2 million in 2020 from USD339.5 million in 2016. Savory biscuits managed to grow over the review period due to the overall increasing population and urbanization which helped sustain a steady source of growing demand for packaged food, including savory biscuits. Increasing health awareness and healthy diet regulatory agendas from both regional and national governments, also presented some challenges to historic growth. Meanwhile, COVID-19 has only slowed sales growth of savory biscuits to some extent as consumers have been stockpiling convenience foods despite increased price consciousness in 2020. Overall, steady demand for savory biscuits in the Philippines will continue over the forecast period reaching a retail sales value of USD591.7 million in 2025, marking a CAGR of 6.1% from 2020.



Source: Euromonitor Report

Key Market Drivers for Savory Biscuits in the Philippines

More stable economic conditions expected

Savory biscuits are expected to gradually return to a more dynamic growth trajectory over the forecast period as the COVID-19 situation is brought under control, economic conditions are normalized and consumer confidence returns.

Increased price consciousness

COVID-19 has brought job losses and lower purchasing power for some groups of consumers. This has resulted in increased price consciousness and decreased impulse purchase of snack foods.

New product innovation

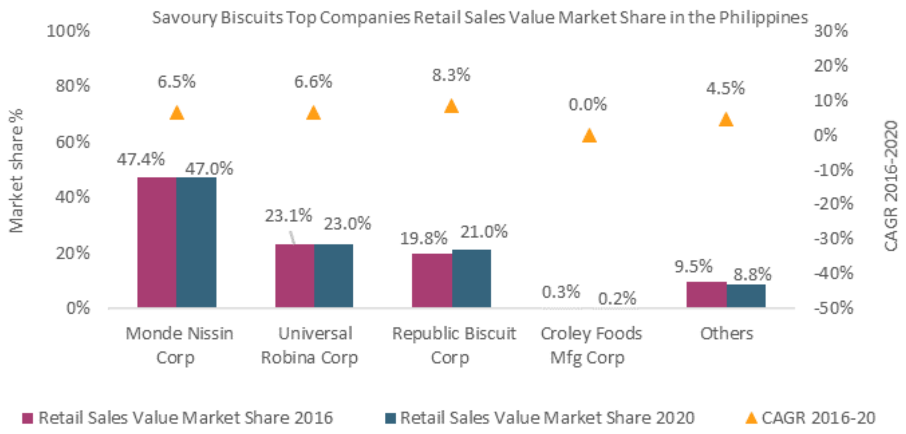
New product innovation that promotes healthier diets will support future growth of savory biscuits over the forecast period.

The Competitive Landscape for Savory Biscuits in the Philippines

Leading local players have diverse portfolios

The Filipino savory biscuits market is highly concentrated. The leading savory players have diverse biscuit portfolios including offering sweet and savory biscuits. The top three players jointly hold 90.5% of the market in value terms in 2020.

Monde Nissin Corporation started as a sweet biscuit manufacturer in 1979 – with Nissin Butter Coconut biscuits and Nissin wafers being the first product launches. In 2001, the company entered the Filipino savory biscuits market with the acquisition of M.Y. San Biscuit Inc, the manufacturer of SkyFlakes and Fita crackers. Monde Nissin Corporation is expected to maintain stable retail value share with its strong SkyFlakes and Fita brands over the forecast period. Republic Biscuit Corp has been consistently gaining share since 2015. Republic Biscuit Corp is a local Filipino packaged food snack company that was established in 1963.

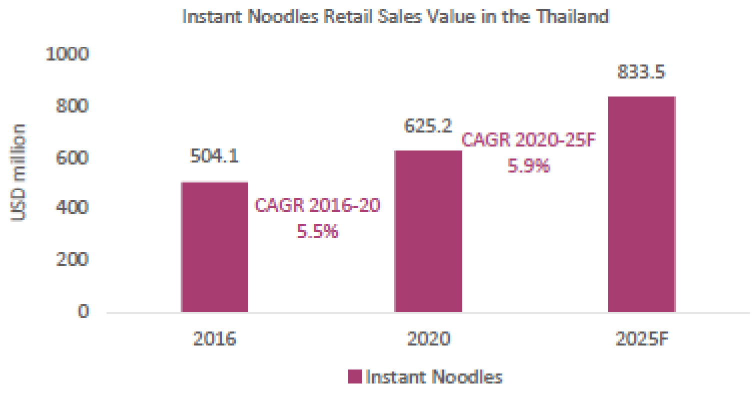


Source: Euromonitor Report

Instant Noodles in Thailand

Instant noodles was a popular stockpiled product during lockdown measures

Instant noodles retail sales value in Thailand posted a CAGR of 5.5% over the 2016 to 2020 period to reach USD625.2 million. The COVID-19 pandemic in 2020 led to increased demand for instant noodles in Thailand, as a result of consumers having to self-quarantine, with instant noodles a good option for stockpiling and as an easy-to-prepare meal solution. Instant noodles retail sales value in Thailand is projected to increase by a CAGR of 5.9% over 2020-2025 to USD833.5 million to 2025.



Source: Euromonitor Report

Key Market Drivers for Instant Noodles in Thailand

Increasing consumer incomes will support a rise in forecast value growth

Rising consumer incomes will present opportunities for instant noodle manufacturers to introduce more premium-priced options.

Aging population

Thailand's aging population will lead to a decrease in average household size in the coming years, which will constrain demand growth for instant noodles as smaller households require fewer units.

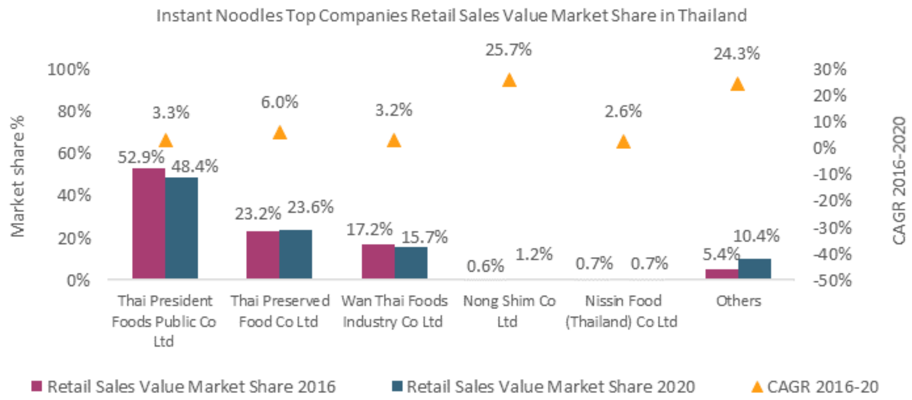
Changing taste flavor profiles

Foreign flavors are expected to gain popularity as Thai consumers' taste buds are willing to try more exotic flavors (interest in Korean cuisine).

The Competitive Landscape for Instant Noodles in Thailand

Top three players dominated by local Thai players

The instant noodles market in Thailand is consolidated by well-established local Thai players. The top three players collectively accounted for 87.7% of retail sales value in 2020. Local players' products are familiar with consumers' tastes and local consumers have a high brand loyalty. Monde Nissin Corp's brand of noodles faces stiffer competition in the Thai market and is among the other smaller fragmented players in the market. Smaller players gained share annually during the review period, which indicates a gradual process of fragmentation.

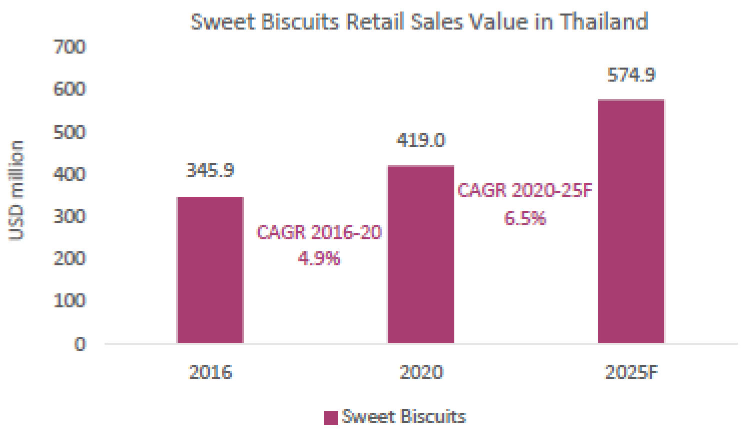


Source: Euromonitor Report

Sweet Biscuits in Thailand

Snacking habits are intact but impacted by COVID-19

Sweet biscuits retail sales value in Thailand posted a 4.9% CAGR over the review period to reach USD419 million. In 2020, amid the COVID-19 pandemic, inbound tourism to Thailand fell dramatically, which negatively affected sales of cookies, which are popular as souvenirs among tourists. Sweet biscuit volumes were impacted negatively in 2020 due to consumers staying at home and were able to make more cooked meals and eat other snack types at home. The school closures due to lockdown measures also meant that sweet biscuits, normally part of children’s lunch packs, were reduced during the school closures. Sweet biscuits are forecasted to post a CAGR of 6.5% over the forecast period reaching USD574.9 million in 2025 driven by a recovering economy and increasing consumption and consumer incomes.



Source: Euromonitor Report

Key Market Drivers for Sweet Biscuits in Thailand

Increasing health awareness

Thai consumers are becoming increasingly health conscious, and growing demand for snack options considered healthy, such as dried fruit, will constrain sweet biscuits sales growth over the forecast period.

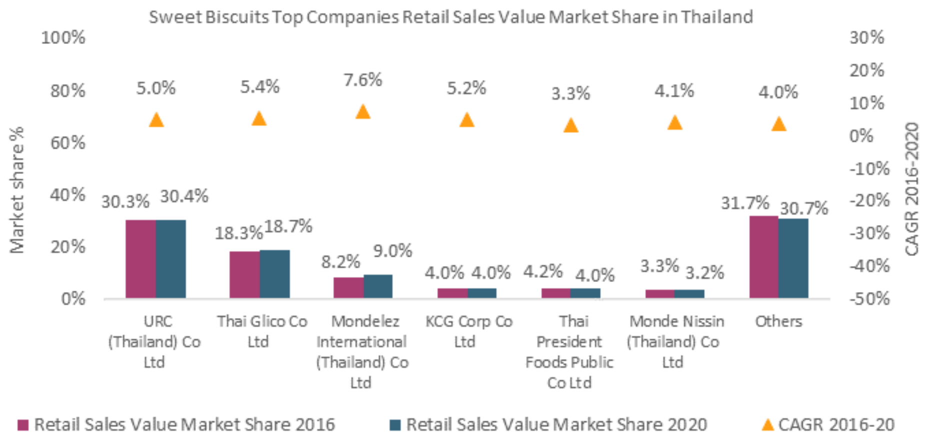
Recovering foodservice channel

The Thai foodservice industry is also expected to rebound in 2021, which will also positively impact sweet biscuits sales.

The Competitive Landscape for Sweet Biscuits in Thailand

Consolidated market among the top sweet biscuits players

The sweet biscuits market in Thailand is consolidated. The three leading players accounted for 58.1% of retail sales value in 2020. Local Thai players have a strong brand loyalty and wide product portfolio. Monde Nissin Corp's subsidiary in Thailand is ranked sixth with 3.2% retail sales value share in 2020 and faces stiffer competition in sweet biscuits. The market is gradually becoming more consolidated as third-ranked Mondelez International (Thailand) Co Ltd gains share at the expense of smaller players.

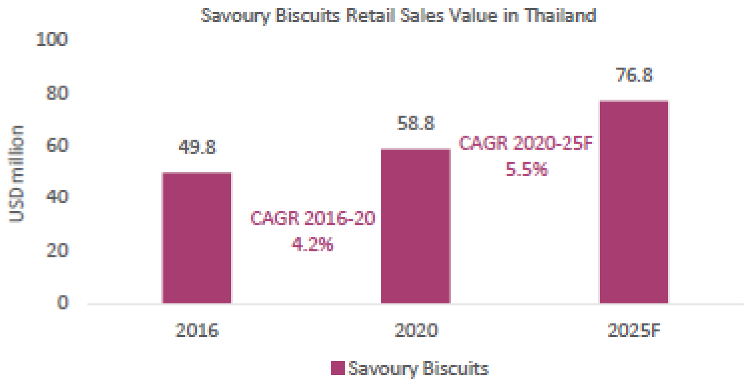


Source: Euromonitor Report

Savory Biscuits in Thailand

Savory biscuits historic growth slower than other snack categories

Savory biscuits retail sales value in Thailand posted a CAGR of 4.2% over the review period to reach USD58.8 million. The COVID-19 pandemic constrained savory biscuits retail sales value growth in 2020 as lockdowns, curfews, remote working and remote learning negatively impacted sales of products often purchased on impulse, such as savory snacks. Thai consumers also prioritized essential items in the face of economic hardship. Retail sales value growth was constrained by Thai consumers' increasing health-consciousness, which increased demand for savory snack options perceived to be healthier. Savory biscuits retail sales value in Thailand is projected to continue to increase by a CAGR of 5.5 % to a value of USD76.8 million over the forecast period as the pandemic wanes and disposable incomes rise.



Source: Euromonitor Report

Key Market Drivers for Savory Biscuits in Thailand

Healthier positioning

Manufacturers will look to position their savory biscuit products as healthy to gain market share. There are rising rates of obesity in Thailand increasing consumer concerns about eating healthier, with many looking to reduce their intake of sugar, salt and fat.

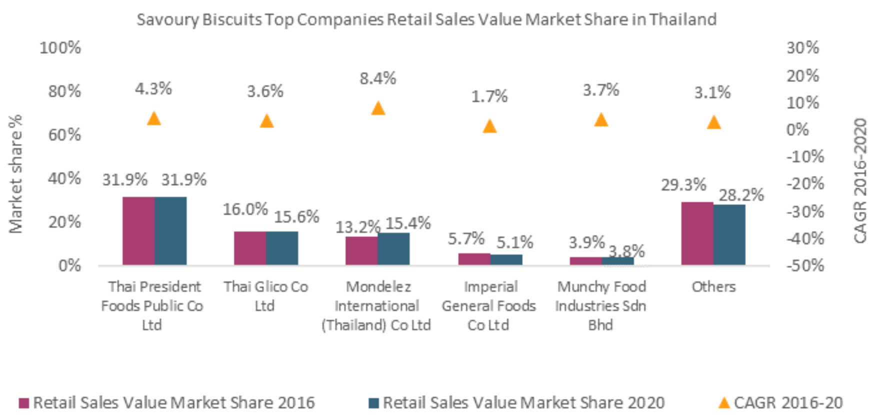
Increase in local flavor offering

Savory snacks manufacturers are expected to introduce new local flavors over the forecast period due to changing Thai consumers' taste profiles.

The Competitive Landscape for Savory Biscuits in Thailand

Consolidated competitive landscape across top players

The savory biscuits market in Thailand is consolidated with the three leading players accounting for 62.9% of retail sales value in 2020. Leading player, Thai President Foods Public Co Ltd, benefits from its 49-year history in Thailand and its subsidiaries and investments in other associated businesses that mill flour and produce packaging. Monde Nissin (Thailand) Pty Ltd is ranked among the other smaller consolidated savory biscuits players in Thailand, outside the top five players.



Source: Euromonitor Report

INDUSTRY OVERVIEW BY OC&C

Table of Contents

1) Executive Summary

- ***Quorn* is part of the meat alternatives market, a fast-growing substitute to the estimated c.$1.5 trillion meat market,[53] [54]**

- **Studies have shown that meat alternatives can have a significantly lighter impact on the environment and can provide additional health benefits[55]**

- **Sales of meat alternatives globally in 2020 are estimated to be worth approximately $8 billion[56]. By 2029, Barclays suggests, using the growth of alternative milk in the US as an analogy, that the global meat alternative market could increase up to $140 billion[57]**

- ***Quorn* is the UK's #1 meat alternative brand with an estimated 2.5x the market share of the next biggest brand and Quorn Foods also owns *Cauldron*, the #3 brand in the UK[58]**

- **In the UK, *Quorn* is particularly strong in chicken alternative products (approximately 68% grocery retail market share[59]) which is a faster growing category than beef or pork alternatives[60]**

- ***Quorn* is made from mycoprotein, which is grown using a fermentation process. Studies show that a mycoprotein diet may have health advantages including lowering cholesterol,**

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[53] Global Data: Consumer Market Size ($1.28 trillion RSV) combined with Foodservice Market Size ($0.26 trillion OBP), 2020 values, alternatives meats are not included in this market size, other sources suggest global meat market was worth $1.4 trillion in 2017

[54] Throughout the report, we have relied on third-party sources however OC&C provides no verification of the accuracy of these third-party sources

[55] Meat Analogues: Plant-based alternatives to meat products – A review; Joshi & Kumar 2015 https://www.researchgate.net/profile/Satish-Kumar-78/publication/305317336_Meat_Analogues_Plant_based_alternatives_to_meat_products-_A_review/links/5787c35008aecf56ebcb51ff/Meat-Analogues-Plant-based-alternatives-to-meat-products-A-review.pdf;
GFI Plant Based Meat Fact Sheet Environmental Comparison https://gfi.org/wp-content/uploads/2021/02/GFI-Plant-Based-Meat-Fact-Sheet_Environmental-Comparison.pdf

[56] Global Data: Consumer Market Size ($5.7 billion RSV) combined with Foodservice Market Size ($2.1 billion OBP), 2020 values. Other sources suggest a range of sizes for the meat alternative market ranging from $5 billion in 2018 to $14 billion in 2019

[57] Barclays Global Food: "I cannot believe it is not meat" report, page 5:
https://eu30.salesforce.com/sfc/p/#1t000000wCuV/a/1t000000Xg33/q3Bm_z_oiIm8K7s4mnGLApU.WpmqvU6rEsBaiqGRob4; Barclays is only source projecting the size of the market in 2029, other sources project a size of $11 billion in 2024 to $50 billion in 2025

[58] IRI Data on Chilled and Frozen Meat Free Products in the United Kingdom based on all sales in "SIG Grocery Outlets," 2017-2020 (2020: Last Twelve Months January 2021)

[59] Refer to footnote 58

[60] Refer to footnote 58

higher post-exercise muscle building than milk protein, weight loss, and improved gut health[61]

Quorn Foods operates in the meat alternative market, a potential substitute to the global meat industry. In this report, unless otherwise stated, we have used third-party definitions of meat alternatives which include fungi, legume-based, pea-based, Seitan, Tofu, Yam, and Yuba products[62]. *Quorn* is one of the products in this segment which tries to replicate the taste and texture of meat. This replication is not a focus of all forms of non-animal proteins (e.g. tofu and tempeh). The meat industry which these products are attempting to replace is estimated to be the largest category in food[63] and in 2019 generated estimated sales of approximately $1.5 trillion globally[64].

In the US, reports suggest that an estimated 86% of consumers who regularly consume meat alternatives do not consider themselves vegan or vegetarian.[65] These consumers are known as flexitarians and they typically eat meat alternatives to help reduce their meat consumption, most commonly to reduce their impact on the planet and improve their health. In the US, reports suggest that up to an estimated 55%[66] of the population identify as flexitarian, and in the UK this figure is estimated to be over 30%[67]. These estimates while subject to some uncertainty, imply a substantial consumer market potentially accessible for meat alternatives, if these consumers see meat alternatives as a viable way of reducing meat consumption.

Global sales of meat alternatives in 2020 were estimated to be worth around $8 billion[68]. Growth estimates, and the underlying size of the market today vary, which is in part a function of differing definitions, channel coverage, and the inherent uncertainty around the data in a market that is evolving quickly. In seeking to estimate the longer run potential given this uncertainty, one approach has been to use potential analogues such as the growth of non-dairy milks. Barclays, which combined this approach with a view of the replicability across different meat categories, suggests that the meat alternative market could grow to an estimated $140 billion[69] by 2029. It suggests, in line with other observers, that the growth of meat alternatives is driven by a greater consumer consciousness of the environmental, health, and ethical concerns surrounding consumption of animal proteins[70]. In addition, the launch of new meat alternative products and increased stocking in grocery retail, and foodservice chains has introduced the category to new consumers and made it easier to access[71].

Quorn is the UK's #1 meat alternative brand and it is widely recognized by consumers (according to research commissioned by management approximately 94% of consumers recognize *Quorn*[72]). It has a grocery retail market share which is an estimated 2.5x that of the next biggest brand and has an estimated 68% share in chicken alternative products, which is a faster growing category than both pork and beef alternatives[73]. In addition to retail,

[61] Mycoprotein: The Future of Nutritious Nonmeat Protein, a Symposium Review; Finnigan et al. 2019 (Current Developments in Nutrition) https://academic.oup.com/cdn/article/3/6/nzz021/5427912; Mycoprotein ingestion stimulates protein synthesis rates to a greater extent than milk protein in rested and exercised skeletal muscle of healthy young men: a randomized controlled trial; Monteyne et al. 2020 (The American Journal of Clinical Nutrition) https://academic.oup.com/ajcn/article/112/2/318/5841182; Mycoprotein reduces energy intake and postprandial insulin release without altering glucagon-like peptide-1 and peptide tyrosine-tyrosine concentrations in healthy overweight and obese adults: a randomised-controlled trial; Bottin et al. 2016 (The British Journal of Nutrition) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4910676/

[62] Global Data Meat Substitutes: Grain-based (Seitan, Other), Single cell protein (Fungi (Mycoprotein)), Soy-based (Tofu, Yuba, Other), Vegetable/Plant-based proteins (Pea-based, Legume-based, Yam/Sweet Potato, Other)

[63] Global Data: Consumer and Foodservice Databases

[64] Refer to footnote 56.

[65] Barclays Global Food: "I cannot believe it is not meat" report, page 23: https://eu30.salesforce.com/sfc/p/#1t000000wCuV/a/1t000000Xg33/q3Bm_z_oiIm8K7s4mnGLApU.WpmqvU6rEsBaiqGRob4

[66] Overview of Driving Forces Behind the Growth of Plant-Based Foods, page 14: https://www.fmi.org/docs/default-source/webinars/the-surge-of-plant-based-foods-final.pdf?sfvrsn=3b8d526e_0

[67] https://www.newfoodmagazine.com/news/93985/flexitarianism-is-trending-in-the-uk/

[68] Global Data: Consumer Market Size ($5.7 billion RSV) combined with Foodservice Market Size ($2.1 billion OBP), 2020 values. Other sources suggest a range of sizes for the meat alternative market ranging from $5 billion in 2018 to $14 billion in 2019

[69] Barclays Global Food: "I cannot believe it is not meat" report, page 5: https://eu30.salesforce.com/sfc/p/#1t000000wCuV/a/1t000000Xg33/q3Bm_z_oiIm8K7s4mnGLApU.WpmqvU6rEsBaiqGRob4; Barclays is only source projecting the size of the market in 2029, other sources project a size of $11 billion in 2024 to $50 billion in 2025

[70] Refer to footnote 69.

[71] Increased grocery stocking: IRI Data: based on all sales in "SIG Grocer Outlets" United Kingdom 2017-2020; new launches in foodservice: Research based on websites in February 2021 indicates that 8 of the 14 alt-meat options currently available in the top 10 UK foodservice chains were released in the past 12 months

[72] YouGov survey with Q: To what extent are you aware of the following brands of meat free, vegetarian, or vegan products? N=2053.

[73] IRI Data Chilled and Frozen Meat Free Products: based on all sales in "SIG Grocer Outlets" United Kingdom, Jan 21 LTM

Quorn Foods has an established position in foodservice, including recent launches with KFC, Greggs and Costa Coffee. The brand is expanding into the US market, including the launch of 'Unreal Wings' in Hooters. Quorn Foods also has a foothold across many European markets[74].

Quorn is made from, and is the only scale producer of mycoprotein[75], which is made using a process in which a carbohydrate source and water are added to a fungus called Fusarium Venenatum alongside additional nutrients while it is being fermented. During the process mycoprotein is frozen which consolidates the fibers, naturally forming a meaty texture. There are studies suggesting that a mycoprotein diet may have health advantages including lowering cholesterol, higher post-exercise muscle building than milk protein, weight loss, and improved gut health[76].

2) The Meat Alternative Market

- **The meat alternative market is worth approximately $8 billion globally in 2020[77]. Quorn Foods' biggest markets, the UK and US, are significant meat alternative markets accounting for an estimated $0.7 billion and $1.7 billion, respectively, in 2020[78]**
- **The global market is projected by Barclays to increase up to $140 billion[79] by 2029[80] with other sources projecting a size of $11 billion to $50 billion in 2024 and 2025**
- **A potentially analogous market is plant-based milk, which has captured significant market share (approximately 14% in US)[81] from the (primarily bovine) dairy industry over the last two decades**
- **Greater global consciousness of the environmental, health, and ethical issues surrounding consumption of animal proteins have been the main factors driving consumers to meat alternatives**
- **Foodservice chains are responding to this consumer trend, adding meat alternative menu items (e.g. the KFC *Quorn Vegan Burger*), creating a new, large growth channel for meat alternatives**

Current Market Size

Sales of meat alternatives in 2020 were estimated to be worth approximately $8 billion[82] globally. Quorn Foods' biggest markets are the UK and US which are estimated to account for approximately $0.7 billion and $1.7 billion,

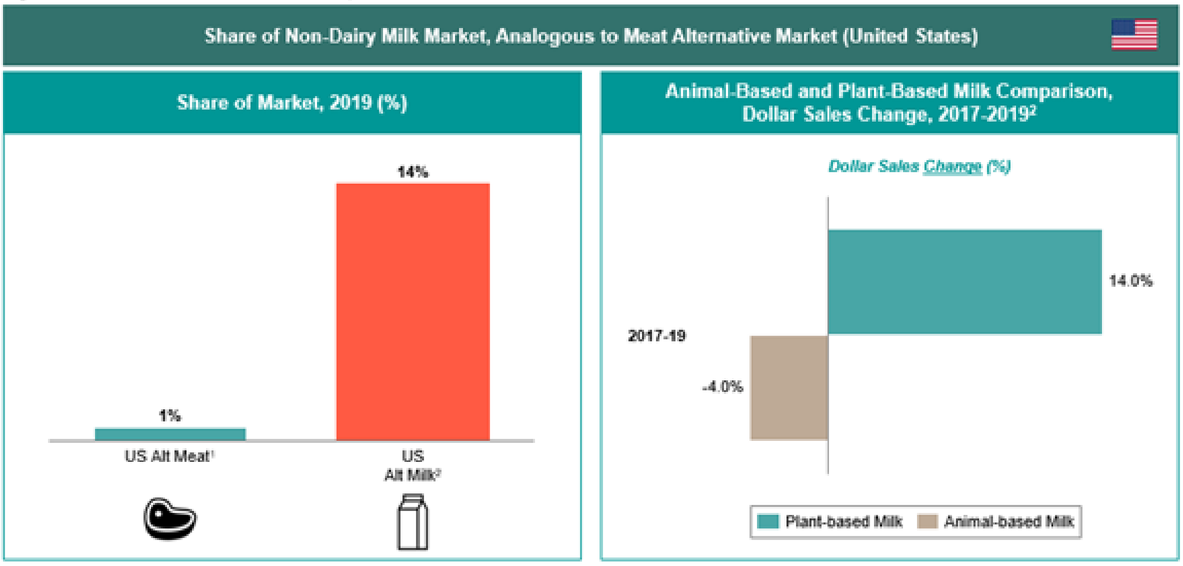
[74] See "Retail" section of "Products and Market" section of prospectus for current list of countries Quorn Foods are operating in
[75] Other players listed in the Markets and Research report are 3FBIO, who still have small companies' exemption in companies house and Mycorena who opened their first pilot factory in 2019 https://www.marketsandresearch.biz/report/131881/global-mycoprotein-meat-substitute-market-2020-by-manufacturers-regions-type-and-application-forecast-to-2025
[76] OC&C have not conducted a full review of the medical evidence around mycoprotein and provide no verification of the accuracy or reliability of the cited sources, or whether they are representative of medical option. Sources that make the claims noted include Mycoprotein: The Future of Nutritious Nonmeat Protein, a Symposium Review; Finnigan et al. 2019 (Current Developments in Nutrition) https://academic.oup.com/cdn/article/3/6/nzz021/5427912; Mycoprotein ingestion stimulates protein synthesis rates to a greater extent than milk protein in rested and exercised skeletal muscle of healthy young men: a randomized controlled trial; Monteyne et al. 2020 (The American Journal of Clinical Nutrition) https://academic.oup.com/ajcn/article/112/2/318/5841182; Mycoprotein reduces energy intake and postprandial insulin release without altering glucagon-like peptide-1 and peptide tyrosine-tyrosine concentrations in healthy overweight and obese adults: a randomised-controlled trial; Bottin et al. 2016 (The British Journal of Nutrition) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4910676/
[77] Global Data: Consumer Market Size ($5.7 billion RSV) combined with Foodservice Market Size ($2.1 billion OBP), 2020 values. Other sources suggest a range of sizes for the meat alternative market ranging from $5 billion in 2018 to $14 billion in 2019
[78] Global Data: Consumer Market Size combined with Foodservice Market Size, US 2020 values, UK 2020 values. Other sources do not split out individual countries but have suggested smaller and larger market sizes as seen in prior footnotes.
[79] Barclays Global Food: "I cannot believe it is not meat" report, page 5: https://eu30.salesforce.com/sfc/p/#1t000000wCuV/a/1t000000Xg33/q3Bm_z_oiIm8K7s4mnGLApU.WpmqvU6rEsBaiqGRob4
[80] Barclays projection has been quoted as it is a 2029 projection and other sources used this report do not forecast this far into the future. Other sources have projected a range sizes of $11 billion in 2024 to $50 billion in 2025
[81] The Good Food Institute (based on SPINSscan Natural and Speciality Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019, 104 weeks ending 12-29-2019)
[82] Global Data: Consumer Market Size ($5.7 billion RSV) combined with Foodservice Market Size ($2.1 billion OBP), 2020 values

respectively, but these figures may be lower[83]. Barclays has projected the market to grow up to $140 billion by 2029[84] with other sources projecting over shorter time frames suggesting a range of $11 billion to $50 billion by 2024 and 2025. There have been calls by campaigners for consumers in developed markets to cease all meat consumption[85]; for example, Bill Gates' statement that *"all rich countries should move to 100% synthetic beef"*[86]. Given the inherent uncertainty of forecasts based on estimates around future consumer adoption, Barclays' projection was also built bottom up. It considers the types of meat currently consumed and attributes penetration based on the level of ease with which the taste and texture of the meat can currently be replicated. Burgers and nuggets are proposed as leading categories in meat alternatives[87] because it is believed that they are more easily and cheaply replicable than a steak for example[88], although this could change as technology evolves. Combining assumptions about replicability with assumptions about the penetration seen in potentially analogous markets such as plant-based milk and craft beer leads to a suggestion by Barclays that *"that alternative meat can reach a market share of ~10% of the global meat industry in 10 years."*[89]

A common analogy for the potential growth of meat alternatives, is plant-based milk, which has captured market share from the (primarily bovine) milk industry over the last two decades. Plant-based milk reached an estimated 14% of the US[90] retail milk category in 2019 *(Fig. 1)* and while the animal-based milk category has declined approximately 4% ppts since 2017, the alternative milk market has grown at an estimated 14% ppts[91]. As well as wider concerns about perceived benefits for health and the environment, part of the success of this category was based on creating products that are believed to taste better than previous non-dairy substitutes[92]. Sales were also aided by packaging and supermarkets merchandising plant-based dairy products next to their dairy equivalents[93]. Similar strategies are now being used in the meat alternative category. For example, in the US an estimate suggests that approximately 65%[94] of the top 15 retailers stock meat alternative products alongside animal proteins products.

[83] Global Data: Consumer Market Size combined with Foodservice Market Size, US 2020 values, UK 2020 values. Other sources do not split out individual countries but have suggested smaller and larger market sizes as seen in footnote 20.
[84] Barclays Global Food: "I cannot believe it is not meat" report: https://eu30.salesforce.com/sfc/p/#1t000000wCuV/a/1t000000Xg33/q3Bm_z_oiIm8K7s4mnGLApU.WpmqvU6rEsBaiqGRob4
[85] https://www.theguardian.com/lifeandstyle/2020/dec/20/celebrities-rooting-for-veganuary-in-uk-to-combat-new-rise-in-meat-sales
[86] MIT Technology Review: Bill Gates Interview https://www.technologyreview.com/2021/02/14/1018296/bill-gates-climate-change-beef-trees-microsoft/
[87] Markets and Markets Report - Plant-based Meat Market Global Forecast to 2025: Burger patties and Strips & nuggets are the top 2 categories in 2020, other categories included: Sausages, Meatballs, Other products (slices, fillets, cutlets, slides, fingers and crumbles)
[88] Barclays Global Food: "I cannot believe it is not meat" report, page 5: https://eu30.salesforce.com/sfc/p/#1t000000wCuV/a/1t000000Xg33/q3Bm_z_oiIm8K7s4mnGLApU.WpmqvU6rEsBaiqGRob4
[89] Refer to footnote 88
[90]The Good Food Institute (based on SPINSscan Natural and Speciality Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019, 104 weeks ending 12-29-2019). This is ahead of the 13% referenced in Barclays Global Food: "I cannot believe it is not meat" report, page 5
[91]The Good Food Institute (based on SPINSscan Natural and Speciality Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019, 104 weeks ending 12-29-2019)
[92] Cow Milk versus Plant-Based Milk Substitutes: A Comparison of Product Image and Motivational Structure of Consumption; Haas et al. 2019 (https://www.mdpi.com/2071-1050/11/18/5046/pdf)
[93] https://www.forbes.com/sites/janetforgrieve/2019/07/16/plant-based-food-sales-pick-up-the-pace-as-product-placement-shifts/?sh=10a0e11e4f75
[94] GFI: Good Food Retail Report – Benchmarking the top US retailed on plant-based sales strategies, page 22: https://gfi.org/resource/plant-based-retail-report/

Fig 1: Penetration of alternative milk compared to meat alternative market



1.Global Data Meat Market and Meat Substitutes Market;
2.The Good Food Institute (based on SPINSscan Natural and Speciality Gourmet (proprietary), SPINSscan Conventional Multi Outlet(powered by IRI), 52 weeks ending 12-29-2019, 104 weeks ending 12-29-2019)

Growth Drivers: Consumer Demand for more Sustainable and Healthier Lifestyles

There is growing consumer awareness and concern about the environment, with studies suggesting that approximately 72% of Americans say global warming is important to them personally[95], an increase of 16% from 2015. The British public are also increasingly concerned about the environment, with surveys reporting that over a quarter of Britons (27%)[96] now cite the environment in their top three issues facing the country.

Growing global meat consumption and livestock production is often cited as having had major consequences on the environment. Measures of environmental impact vary, and consumers may be influenced as much by the repeated suggestions that meat has negative environmental impact as the scientific detail. Greenpeace for example has graphically claimed that the impact of meat is *"roughly equivalent to all the driving and flying of every, car, truck, and plane in the world"*[97]. Livestock, it has been estimated, occupy approximately 30% of the planet's land surface and account for an estimated 78% of all agricultural land use[98]. It has been suggested that approximately 29% of water used in agriculture is directly or indirectly used for animal production[99].

While the global livestock industry is estimated to be responsible for a significant portion of global greenhouse gas emissions (the contestable nature of this subject is such that estimates range from around 15% to over 50%[100]), studies have shown meat alternatives can have a lower environmental impact. Meat alternatives such as *Quorn* may have less than one-tenth the embedded carbon, land, and water usage[101] than animal proteins. The IPCC[102] has therefore recommended behavioral changes to combat the climate emergency, including reducing meat

[95] Yale Climate Change in the American Mind: https://climatecommunication.yale.edu/publications/climate-change-in-the-american-mind-december-2018/2/
[96] YouGov Environmental Issues Concern: https://yougov.co.uk/topics/politics/articles-reports/2019/06/05/concern-environment-record-highs
[97] https://www.greenpeace.org.uk/news/why-meat-is-bad-for-the-environment/. OC&C have not assessed these claims and cannot validate it. The quote is provided to show the language being used in the debate.
[98] FAO: Livestock's Long Shadow – Environmental Issues and Options Page 74 http://www.fao.org/3/a0701e/a0701e.pdf
[99] The water footprint of poultry, pork and beef: A comparative study in different countries and production systems (Gerbens-Leenes et al. 2013) Page 2 https://www.sciencedirect.com/science/article/pii/S2212371713000024#bib25
[100] 14.5% from page 37, Tackling Climate Change Through Livestock (FAO, 2013) http://www.fao.org/3/i3437e/i3437e.pdf and 51% from Livestock and Climate Change (World Watch, 2009) https://awellfedworld.org/wp-content/uploads/Livestock-Climate-Change-Anhang-Goodland.pdf. The topic is controversial with varying methodologies. The authors of the World Watch paper believe that the FAO value is an underestimate due to animal respiration and photosynthetic capacity of the land used for feeding and housing livestock not being included.
[101] Mycoprotein: a healthy new protein with a low environmental impact; Finnigan et al. 2017 (Sustainable Protein Sources) https://www.sciencedirect.com/science/article/pii/B9780128027783000196
[102] IPCC: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C

consumption. Meat alternatives can still cause environmental damage though and moves to increase meat alternative consumption will come with their own environmental challenges. As Barclays noted "*with more alternative meat, there is likely need for more palm oil. In the case of lab-based food we argue that at the current stage massive energy use is required to replicate in laboratories what is done by Mother Nature in animals."*[103]

Additionally, the health impact caused by certain meats has been publicized by major organizations such as the WHO[104]. They suggested in 2004 that dietary factors, including consumption of red meats, were responsible for as many as 30% of all cancers in the developed world. Since then, the WHO added processed meats such as hot dogs, ham, bacon and sausages to its Group 1 category of carcinogens. However, *"similar to its animal-based counterparts, alternative meats provide a large spectrum of nutrients choices, with no clear winner across the different categories"*[105] and products must be evaluated on a case-by-case basis to show they are healthier than animal protein products.

Nonetheless, concerns over the environmental and health impacts of animal protein consumption, alongside animal welfare, are widely cited as two of the key factors driving consumers to seek alternatives to reduce animal protein consumption[106]. This is being enabled as retailers and foodservice companies respond by expanding and improving their meat alternative offerings[107].

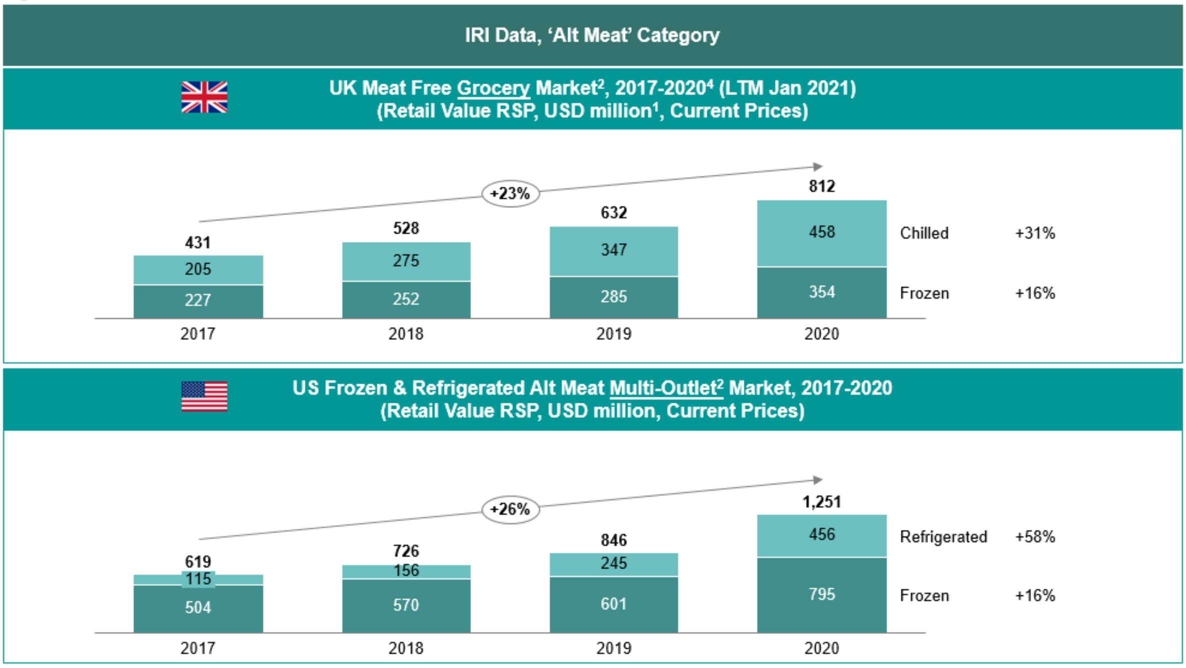
***Growth Drivers:* Expansion of Product Offer in Grocery Retail**

Grocery channels have been stocking an increasing number of meat free products since 2017 with an estimated increase of 150% in the total number of distribution points in the UK[108]. This trend is set to continue with Tesco, the UK's largest grocer, setting meat alternatives targets in 2020; they have committed to boosting sales of the category by 300% within five years[109]. In the US, 65% of the top 15 retailers are stocking meat alternative products alongside animal proteins[110] to encourage consumers to consider trialing alternatives to traditional animal products.

Meat free products are estimated to have grown at approximately 23% per annum in UK grocery outlets since 2017 *(Fig. 2)*. Growth has been aided by the launch of new chilled meat free products; in the UK, the chilled meat free category is growing at an estimated 31% per annum and accounts for approximately 65% of category growth since 2017[111]. Similarly, in the US multi-outlet channel, the frozen and refrigerated alternative meat market has grown at approximately 26% per annum with refrigerated products growing at an estimated 58% per annum during the same time period[112]. Frozen meat free products have also maintained growth, growing at approximately 16% per annum[113] in the UK since 2017, and frozen alternative meats at approximately 16% per annum in the US[114].

[103] Barclays Global Food: "I cannot believe it is not meat" report, page 8: https://eu30.salesforce.com/sfc/p/#1t000000wCuV/a/1t000000Xg33/q3Bm_z_oiIm8K7s4mnGLApU.WpmqvU6rEsBaiqGRob4
[104] https://www.euro.who.int/en/health-topics/noncommunicable-diseases/cancer/news/news/2011/02/cancer-linked-with-poor-nutrition
[105] Barclays Global Food: "I cannot believe it is not meat" report, page 35
[106] Barclays Global Food: "I cannot believe it is not meat" report, page 6
[107] Tesco expanding plant-based meat product range and setting sales target: https://www.theguardian.com/business/2020/sep/29/tesco-sets-300-per-cent-sales-target-for-plant-based-alternatives-to-meat
Seven of the top 10 UK QSRs by sales value have added a meat free option since Feb 2020 based on company website searches
[108] IRI Data on Chilled and Frozen Meat Free Products: based on all sales in "SIG Grocer Outlets" United Kingdom 2017-2020
[109] https://www.bbc.co.uk/news/business-54338754
[110] GFI: Good Food Retail Report – Benchmarking the top US retailed on plant-based sales strategies, page 22: https://gfi.org/resource/plant-based-retail-report/
[111] IRI Data on Chilled and Frozen Meat Free Products: based on all sales in "IRI Grocery Outlets" United Kingdom 2017-2020 (2020: Last Twelve Months January 2021)
[112] IRI Data based on Alternative Meats: based on all sales in Multi Outlets US 2017-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
[113] IRI Data on Chilled and Frozen Meat Free Products: based on all sales in "IRI Grocery Outlets" United Kingdom 2017-2020 (2020: Last Twelve Months January 2021)
[114] IRI Data based on Alternative Meats: based on all sales in Multi Outlets US 2017-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA

Fig 2: Historical market size for UK and US meat free and alternative meat retail market



1.Fixed 2020 Exchange Rate: 1GBP:1.28USD
2.IRI Data on Chilled and Frozen Meat Free Products: based on all sales in "IRI Grocery Outlets" in United Kingdom 2017-2020 (2020: Last Twelve Months January 2021)
3.IRI Data based on Alternative Meats: based on all sales in Multi Outlets 2017-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
4.Years twelve months to end Jan following year (ie 2020 = Feb 2020-Jan 2021)

Growth Drivers: Adoption of Meat Alternatives by Foodservice Chains

Adoption by quick service restaurants (**QSR**) and other foodservice chains is another catalyst for meat alternative growth as their offerings increase category visibility and aid customer trialing; 45% of Americans were reported as most likely to try a meat alternative at a fast-food chain or independent restaurant[115]. UK foodservice chains have both responded to and fed the growing demand – approximately nine of the top ten[116] chains by sales value in 2019 have meat alternatives offered nationwide and seven of these alternatives were added since January 2020[117].

Rising consumer demand for meat-free foods has led Pret A Manger to announce in February 2021 that it was eliminating meatball wraps from its menu permanently and feature the vegan substitute instead across the chain's 450 outlets in 9 countries[118]. Subway has also announced in March 2020 that its meatless meatball marinara will be a permanent fixture on the menu[119]. The introduction of alternative products can create substantial interest and trials, as evidenced by *Quorn's* four-week KFC UK trial in June 2020 which sold out within 4 days and had 500% higher sales than an equivalent chicken burger product[120].

[115]https://www.qsrweb.com/resources/meatless-farm-survey-says-over-a-quarter-of-americans-will-opt-for-plant-based-meat-alternatives-when-restaurants-reopen/

[116] Top 10 restaurants, pubs & bars, QSRs & fast food by sales value are as follows. Asterisks indicate an option was introduced after February 2020. McDonald's (no alt-meat options), Costa Coffee (Vegan BBQ Chick'n Panini*, Vegan Smoky Ham & Cheeze Toastie), Domino's Pizza (The Chick-Ain't, Vegan Nuggets), Starbucks (Beyond Meat Breakfast Sandwich*, No Chick'n & BBQ Bean Hot Wrap*), Greggs (Vegan Sausage Roll, Vegan Steak Bake), KFC (Original Recipe Vegan Burger*), Nando's (The Great Imitator Wrap*), Pret A Manger (Meatless Meatball Hot Wrap*, Sunshine'n Spice Wrap*), Subway (T.L.C [Tastes Like Chicken]*, Meatless Meatball Marinara), Pizza Hut (Vegan Pepperphoni and Southern Fried Nuggets)

[117] Company Website and press release data correct as of 18/02/2021, Research based on websites in February 2021 indicates that 8 of the 14 alt-meat options currently available in the top 10 UK QSR and fast food chains were released in the past 12 months

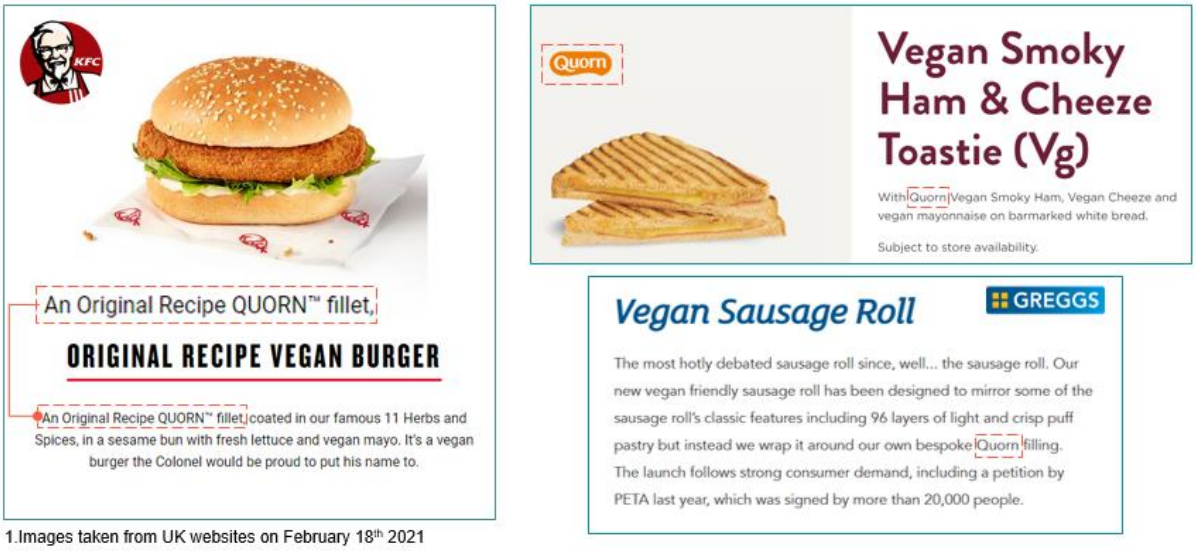
[118] https://www.greenqueen.com.hk/pret-a-manger-swaps-meatball-wraps-for-vegan-alternative-due-to-consumer-demand/

[119] https://www.delish.com/uk/food-news/a29619705/subways-vegan-

[120] https://www.independent.co.uk/life-style/food-and-drink/kfc-vegan-burger-chicken-uk-imposter-london-sell-out-price-a8968561.html

Fig 3: Mentions of Quorn on the UK menus of KFC, Costa Coffee and Greggs¹

Legend: Mention of Quorn on UK menu



1.Images taken from UK websites on February 18th 2021

121

Across the Top 50 UK foodservice chains by sales value in 2019, those with meat alternative options currently typically offer only one or two items, and none of these chains advertises five or more meat alternative items[122]. Some chains have started to take steps to add more meat alternative options to their menus with Greggs *"evaluating more vegan products"*[123] after the success of the vegan sausage rolls and vegan steak bake and Wagamama officially announced that they are intending to make 50% of their menu meat-free by the end of 2021 *(Fig. 4)*.[124]

121 Images taken from UK websites on February 18th 2021
122 Research based on company websites and press releases on 18/02/2021
123 https://www.thesun.co.uk/money/10698991/greggs-vegan-sausage-roll-chicken-new/
124 https://www.wagamama.com/vegan

Fig 4: Wagamama[1] pledges 50% meat-free menu by end of 2021

1.) https://www.wagamama.com/vegan

The pace is accelerating in the US, as well. It is estimated that in 2018, only one of the Top 50 US foodservice chains[125] by sales value, TGIFridays, was offering meat alternative products on its menu[126]. Since then, approximately 10 chains have launched meat alternative products and of the top 100 chains in the US, approximately 20 had a meat alternative option on their online menu[127] in February 2021. Barclays' report stated that *"if McDonald's were to enthusiastically feature a plant-based burger product on their U.S. menu, we would not be surprised to see the entire burger category quickly follow suit"*[128]. In February 2021, McDonalds announced such a contract which could provide a further acceleration to the market[129].

Chicken chains currently appear to be less likely than chains with other cuisine types to carry meat alternative products. Of the top 100 foodservice chains in the US, 15 are focused on burgers[130] with approximately 27% having a meat alternative option. 10 chains are focused on chicken, of which just Pollo Tropical has a meat alternative option. This provides a significant potential market for *Quorn*. After Quorn Foods' launch in Hooters with a hoped to be permanent menu item, Quorn Foods is focused on providing chicken alternatives into the fast food and casual dining markets *(Fig. 5)*.

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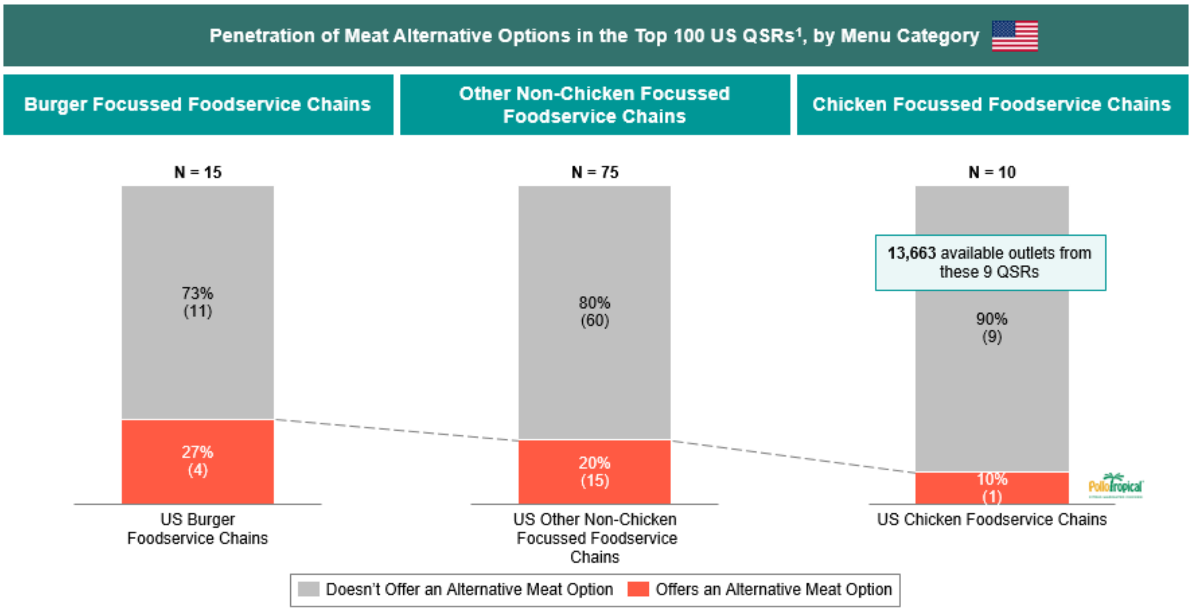
[125] Based on GlobalData's Foodservice database, restaurants, pubs & bars, QSRs & fast food ranked by 2019 US sales ($m)
[126] Press releases suggest that TGIFridays were the first Top 50 QSR chain to launch meat alternative products, and the Barclays "I Can't Believe it is not Meat" Report Page 12 shows that Beyond and Impossible didn't launch in restaurants until 2018. Additionally, https://thespoon.tech/which-fast-food-restaurants-serve-plant-based-meat-or-are-thinking-about-it/ shows that TGIF were the only chain offering meat alternatives in 2017 however the survey is not necessarily comprehensive
[127] All searches done on nationwide websites and were correct as of 18/02/2021
[128] Barclays "I Can't Believe it is not Meat" Report Page 21
[129] https://www.veganfoodandliving.com/news/beyond-meat-contract-mcdonalds-fast-food-chains/
[130] Based on GlobalData's Foodservice database and segmentation, QSRs ranked by 2019 US sales ($m)

Fig 5: Current penetration meat alternatives options in the US by menu focus



3) Deep Dive on Meat Alternative Categories

- **Meat alternatives are sold in a wide variety of formats, including burgers, meatballs, sausages, and nuggets[131], and replica meat types (e.g. alternative beef, pork, chicken)**

- **Quorn Foods has products across these formats, but specializes in chicken alternative products (approximately 41% of stocking points and an estimated 46% of UK sales in 2020[132])**

- **The largest animal protein category by volume is chicken, accounting for approximately 43% of total protein volume consumption in the US[133]. Substantial volumes could shift from chicken into meat alternatives as approximately 56% of chicken sales are in processed formats that are assumed to be more replicable – compared to just an approximate 38% of beef category sales[134]**

Initially, meat alternative adoption has been concentrated in processed meat formats, such as burgers, meatballs, sausages and nuggets. Given current technology these are assumed to be easier to replicate than whole muscle products (e.g. steaks)[135]. Switching has concentrated on beef and pork products, reflecting a long-run consumer trend away from red meat and enabled by alternatives for mince/ground beef and sausage products. In 2017, an estimated 39% of meat free sales by value (excluding tofu, seitan, tempeh, and vegetable products) were in pork alternative products in the UK and an additional approximately 33% were in beef alternatives; market data suggests that just an approximate 26% of sales were in alternative chicken[136] .

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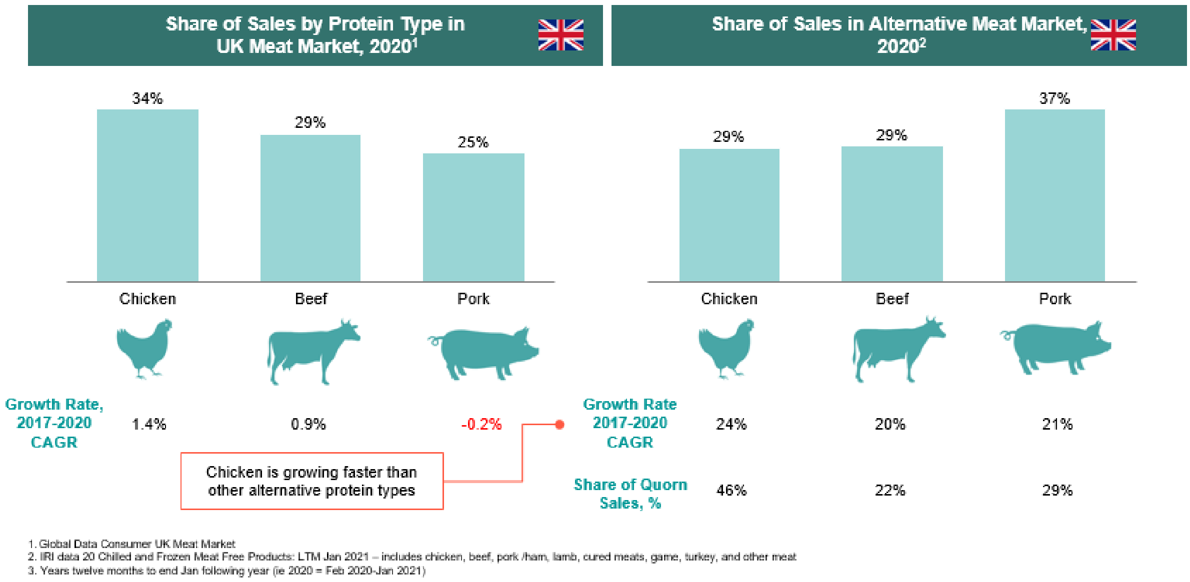
[131] Barclays Global Food: "I cannot believe it is not meat" report, page 5: https://eu30.salesforce.com/sfc/p/#1t000000wCuV/a/1t000000Xg33/q3Bm_z_oiIm8K7s4mnGLApU.WpmqvU6rEsBaiqGRob4
[132] IRI Data on Chilled and Frozen Meat Free Products: based on all sales in "IRI Grocery Outlets" United Kingdom 2020 (Last Twelve Months January 2021)
[133] page 50, USDA Agricultural Projections to 2030 https://www.usda.gov/sites/default/files/documents/USDA-Agricultural-Projections-to-2030.pdf
[134] Global Data: US Consumer and Foodservice Meat Market Database, 2020
[135] Tesco website SKUs on 24/02/2021 showed meat alternative products in the following categories: 29 Sausages, 31 burgers, 20 nuggets, fingers & goujons, 30 mince, strips & pieces, and only 3 steaks
[136] IRI Data Chilled and Frozen Meat Free Products: based on all sales in "SIG Grocer Outlets" United Kingdom 2017-2020 – These percentages do not include Veg, Bean, Lentil, Dairy, Tofu, Tempeh, or Seitan

Since 2017, chicken alternatives have been estimated to be growing at a faster rate than alternative beef and pork products (*Fig. 6*)[137] driven mainly by center plate items such as breaded and coated portions[138]. However, chicken alternatives still make up just an approximate 29% of sales value of alternative meat in UK grocery[139]. Given that chicken is estimated to be the largest animal protein category in retail in the UK and in the US by value (totaling approximately 34% of UK sales[140] and approximately 36% of US sales[141]) volumes could increase further aided by the fact that an estimated 56% of chicken sales are in what are assumed to be a more easily processed form (vs around an estimated 38% for beef)[142].

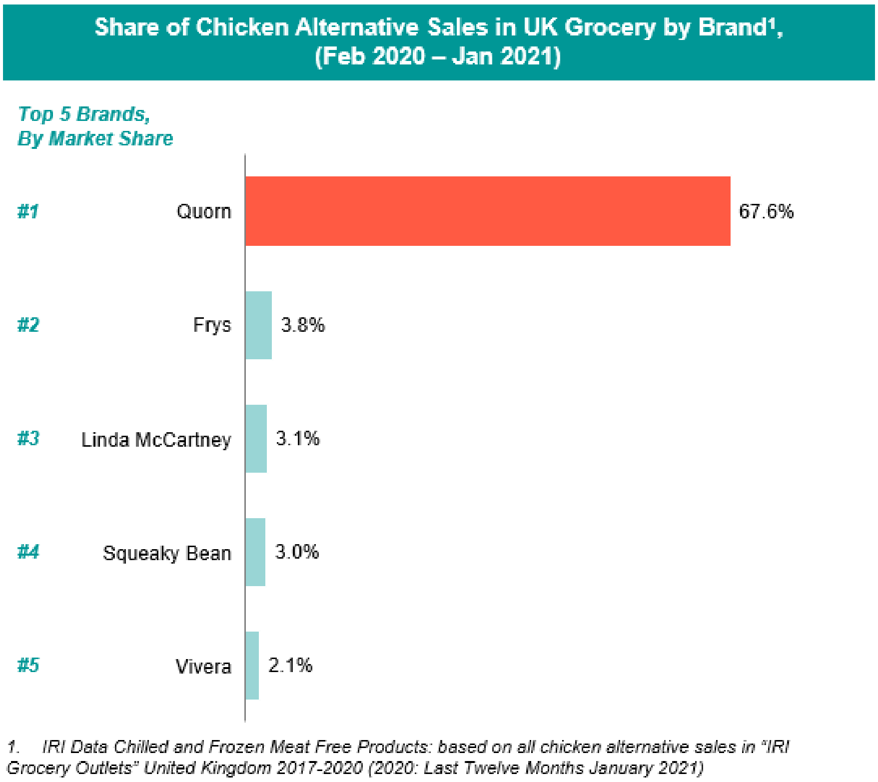
Fig 6: Growth rates of protein types in meat market and alternative meat market



Quorn Foods produces products across a broad range of product types and occasions, however, the brand has a focus on chicken alternatives (approximately 46% of *Quorn's* grocery sales in the UK)[143]. In UK chicken alternative products, *Quorn* has captured an estimated 54% of stocking points and approximately 68% of sales (*Fig. 7*) in 2020 (versus an estimated 31% and 28% for all other non-chicken meat free products). The next two largest brands, *Fry's* and *Linda McCartney*, are reported to capture approximately 3.8% and 3.1% of the market, respectively[144].

[137] IRI Data: based on all sales in "IRI Grocery Outlets" United Kingdom 2017-2020 (2020: Last Twelve Months January 2021)
[138] IRI Data: Chicken centre plate breaded/coated portions accounted for 42% of chicken sales in 2020 (2020: Last Twelve Months January 2021) vs. 27% in 2017
[139]IRI Data: based on all sales in "SIG Grocer Outlets" United Kingdom 2017-2020 – These percentages do not include Veg, Bean, Lentil, Dairy, Tofu, Tempeh, or Seitan products. Chicken, beef, pork / ham, lamb, fish & shellfish, cured meats, game, turkey and other meats are included
[140] Global Data Meat Market value 2020 across both retail and foodservice
[141] Global Data Meat Market value 2020 across both retail and foodservice
[142] Global Data: US Consumer and Foodservice Meat Market Database, 2020
[143] IRI Data Chilled and Frozen Meat Free Products: based on all sales in "IRI Grocery Outlets" United Kingdom 2017-2020 (2020: Last Twelve Months January 2021)
[144] IRI Data Chilled and Frozen Meat Free Products: based on all sales in "IRI Grocery Outlets" United Kingdom 2017-2020 (2020: Last Twelve Months January 2021)

Fig 7: Share of Chicken Alternative Sales in UK Grocery, LTM January 2021



4) Benefits of Mycoprotein

- **Quorn Foods is the only scale producer of mycoprotein[145] while competitors' products are made using soy, wheat, or vegetable proteins**

- **Many studies suggest that there are numerous health advantages of a diet that includes mycoprotein with studies proving that mycoproteins can lower cholesterol, stimulate post-exercise muscle building, aid weight loss, improve gut health, and improve glucose homeostasis[146]**

- **A side-by-side comparison of *Quorn* nuggets and competitor products shows that *Quorn* has fewer calories, total fat, and more fiber per 100g *(Fig. 10)***

Quorn is made from mycoprotein, which is produced from a naturally occurring fungus called Fusarium Venenatum. The alignment of the mycelium results in what may be seen by some consumers as naturally authentic meat-like textures *(Fig. 8)*[147]. Quorn Foods is the only scale producer of mycoprotein[148]. Other alternative products which compete with mycoprotein are made from soy, wheat, or vegetable proteins[149]. While it is possible for

[145] Other players listed in the Markets and Research report are 3FBIO, who still have small companies' exemption in companies house and Mycorena who opened their first pilot factory in 2019 https://www.marketsandresearch.biz/report/131881/global-mycoprotein-meat-substitute-market-2020-by-manufacturers-regions-type-and-application-forecast-to-2025

[146] Mycoprotein: The Future of Nutritious Nonmeat Protein, a Symposium Review; Finnigan et al. 2019 (Current Developments in Nutrition) https://academic.oup.com/cdn/article/3/6/nzz021/5427912; Mycoprotein ingestion stimulates protein synthesis rates to a greater extent than milk protein in rested and exercised skeletal muscle of healthy young men: a randomized controlled trial; Monteyne et al. 2020 (The American Journal of Clinical Nutrition) https://academic.oup.com/ajcn/article/112/2/318/5841182; Mycoprotein reduces energy intake and postprandial insulin release without altering glucagon-like peptide-1 and peptide tyrosine-tyrosine concentrations in healthy overweight and obese adults: a randomised-controlled trial; Bottin et al. 2016 (The British Journal of Nutrition) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4910676/

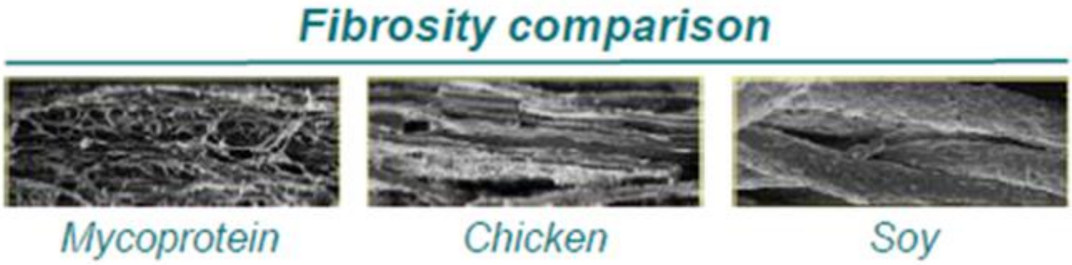
[147] Page 3; Mycoprotein: The Future of Nutritious Nonmeat Protein, a Symposium Review; Finnigan et al. 2019 (Current Developments in Nutrition)

[148] Refer to footnote 145

[149] https://dieteticallyspeaking.com/what-you-need-to-know-about-vegetarian-meat-alternatives/

others to produce mycoprotein, management suggests that there are high barriers to entry with a significant amount of R&D and capabilities required to produce mycoprotein at scale. Quorn Foods has been adapting and developing the technology over the past 35 years and utilizes air-lift technology and continuous flow culture which studies show yields productivity some five-fold greater than can be achieved by a series of separate batch fermenters[150].

Fig 8: Comparison of Mycoprotein, Chicken, and Soy under a microscope



Studies have shown that mycoprotein may have several distinct health benefits. Research points to the fact that due to the intrinsic fiber content of mycoprotein, whose beta-glucan chitin complex is relatively rare outside of fungi, a diet rich in mycoprotein results in beneficial changes to blood cholesterol levels. This intrinsic fiber is absent from isolated texture protein, which is used in Beyond Meat and Impossible Foods, which may be an advantage for mycoprotein[151]. It has also been shown that mycoprotein may stimulate protein synthesis and therefore builds muscle post-exercise in a way that is potentially superior to milk protein[152]. A mycoprotein diet can also reduce appetite and therefore food consumed and, in some studies, appeared to help improve glycemic profiles based on a study of overweight and obese adults[153].

In April 2020, Quorn Foods became the first meat free food manufacturer to introduce third-party carbon footprint accreditation via the Carbon Trust on its product labels (60% of products by volume are labelled with carbon footprint data)[154]. *Quorn* has been shown to have a significantly lower environmental impact compared with meat products *(Fig. 9)*[155]. Unlike some other protein production systems e.g. conventional ways of creating animal protein, Mycoprotein's production is estimated to gives rise to a net gain in protein – i.e. the process *creates* protein[156]. A comparison of *Quorn mince* with beef[157] suggested that *Quorn* had an estimated 7% of the carbon footprint, 11% of land footprint, and 8% of the water footprint. It has also been shown that Chicken has an estimated 2.8x higher land usage and approximately 3.5x higher water usage, respectively, than *Quorn pieces*[158].

Studies suggests that mycoprotein is versatile and may be able to be manufactured using agro-industrial residues as its fermentation substrates. The successful utilization of agri-food waste in the future production of mycoprotein could reduce the environmental footprint further – it is estimated that water usage could be halved, and land usage reduced from c.2 to 0.5m^2 per kg of high-quality protein food[159].

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150 Sadler, M. (1988). Quorn. Nutrition and Food Science, 112, 9-11.
151 Page 3; Mycoprotein: The Future of Nutritious Nonmeat Protein, a Symposium Review; Finnigan et al. 2019 (Current Developments in Nutrition) https://academic.oup.com/cdn/article/3/6/nzz021/5427912
152 Page 1; Mycoprotein ingestion stimulates protein synthesis rates to a greater extent than milk protein in rested and exercised skeletal muscle of healthy young men: a randomized controlled trial; Monteyne et al. 2020 (The American Journal of Clinical Nutrition) https://academic.oup.com/ajcn/article/112/2/318/5841182
153 Page 1; Mycoprotein reduces energy intake and postprandial insulin release without altering glucagon-like peptide-1 and peptide tyrosine-tyrosine concentrations in healthy overweight and obese adults: a randomised-controlled trial; Bottin et al. 2016 (The British Journal of Nutrition) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4910676/
154 https://www.quorn.co.uk/company/press/quorn-unveils-carbon-footprint-labelling-of-its-products-and-calls-on-other
155 Carbon Trust Comparison Report 2018 https://www.quorn.co.uk/assets/files/content/Carbon-Trust-Comparison-Report-2018.pdf. Beef Mixed is if more than 10% of feed is imported to the farm and/or is grain co-products; chicken rearing method is not mentioned in report due to lower range of environmental efficiencies compared to beef
156 Mycoprotein: The Future of Nutritious Nonmeat Protein, a Symposium Review; Finnigan et al. 2019 (Current Developments in Nutrition) https://academic.oup.com/cdn/article/3/6/nzz021/5427912
157 Mycoprotein: a healthy new protein with a low environmental impact; Finnigan et al. 2017 (Sustainable Protein Sources) https://www.sciencedirect.com/science/article/pii/B9780128027783000196
158 Carbon Trust Comparison Report 2018 https://www.quorn.co.uk/assets/files/content/Carbon-Trust-Comparison-Report-2018.pdf. Mixed refers to multiple species or class of livestock on the same grazing area and grazed is a single species that graze.
159 Agri-Food Waste Streams Utilization for Development of More Sustainable Food Substitutes; Smetana et al. 2018 https://link.springer.com/chapter/10.1007/978-3-319-66981-6_17

Fig 9: Comparison table showing the environmental impact of Quorn vs beef and chicken

Quorn has a lower environmental impact compared to beef and chicken across all criteria	Environmental Impact, per kg of product				
	Carbon (kgCO2e/kg)	Land (m^2/kg)	Green Water (L/kg)	Blue Water (L/kg)	Grey Water (L/kg)
Beef – Mixed	26.7	35	15,500	506	4,000
Beef - Grazed	121	49	16,500	300	5,000
Chicken	5.9	7.0	3,500	70	400
Quorn - Mince	**1.7**	**3.8**	**1,184**	**48**	**314**
Quorn - Pieces	**1.7**	**2.5**	**1,006**	**47**	**286**

1. *Table 9, Carbon Trust Comparison Report 2018 https://www.quorn.co.uk/assets/files/content/Carbon-Trust-Comparison-Report-2018.pdf. Mixed refers to multiple species or class of livestock on the same grazing area and grazed is a single species that graze*

Mycoprotein is a non-isolate and most of Quorn Foods' products currently include no artificial colors, masking agents, or preservatives, and are non-GMO. An article in one culinary magazine published in February 2021 features *Quorn's meatless* "Chicken" *patties* and *Quorn's meatless nuggets* as its test kitchen favorite, and states that the texture of *Quorn's meatless chicken patties* is *"appetizingly similar to chicken"* and that it *"turns beautifully golden brown after baking while staying juicy on the inside."* It also commends the nuggets for being able to *"stand on their own without a dipping sauce."*

Of course, substituting meat alternatives for meat does not mean there are not potential nutritional issues. Some recent products using other plant proteins have come under scrutiny by health experts for their underlying nutritional values[160]. Recent reports have called out the reliance by some products on coconut oil to imitate animal fats and create realistic texture and suggested that this can create a product high in calories and saturated fats[161].

A comparison of Quorn Foods' mycoprotein products with mainstream animal protein alternatives shows that *Quorn* has fewer calories, total fat, saturated fat, and more fiber which does not naturally occur in the animal products *(Fig. 10)*[162]. For example, a 100g serving of *Quorn vegan crunchy nuggets* has 237 calories, 9.1g of total fat, 1.5g saturated fat and 6.7g of dietary fiber compared to a 100g of Birds Eye chicken nuggets which have 269 calories, 14.0g of total fat, 1.6g of saturated fat and 1.6g of fiber. Based on the Nutri-score, a nutrition label that is widely used in Europe which gives products an overall rating based on their nutritional content[163], *Quorn* nuggets receive the highest possible "A grade," while animal protein nuggets receive a "B grade."

[160] Insider Beyond Meat Evaluation by Nutritionists https://www.businessinsider.com/is-beyond-meat-healthy-nutritionists-say-yes-on-occasion-2019-6?r=US&IR=T

[161] https://www.foodnavigator.com/Article/2020/07/10/Cubiq-s-smart-fat-takes-on-coconut-oil-This-is-what-plant-based-companies-are-looking-for#

[162] Products used in table are as follows:

- Quorn vegan crispy nuggets: https://www.quorn.co.uk/products/vegan-nuggets
- Birds Eye green cuisine: https://www.birdseye.co.uk/range/meat-free-mealtimes/green-cuisine/green-cuisine-chicken-free-nuggets#3
- Frys: https://fryfamilyfood.com/uk/our-food/vegan-chicken-nuggets/
- Birds Eye 24 nuggets: https://www.birdseye.co.uk/range/frozen-chicken/chicken-nuggets-dippers-and-nibbles/24-wholegrain-nuggets

[163] Page 3: https://www.euro.who.int/__data/assets/pdf_file/0008/357308/PHP-1122-NutriScore-eng.pdf

Fig 10: Nutritional comparison of Quorn and competitor nuggets

		Nuggets Comparison, Based on UK Company Websites[1], per 100g			
		Myco-protein	Plant-Based Protein		Animal Protein
	Brand	Quorn	Birds Eye	Fry's	Birds Eye
	Product Name	*Vegan Nuggets*	*Green Cuisine Chicken-Free Nuggets*	*Vegan Chicken Nuggets*	*24 Chicken Nuggets*
Nutri-Score		A	B	C	B
Nutritional Information (per 100g)	Energy (kcal)	**237.0**	274.0	321.0	269.0
	Energy (kJ)	**992.0**	1,144.0	1,344.0	1,126.0
	Total Fat (g)	**9.1**	16.0	22.0	14.0
	Saturated Fat (g)	**1.5**	1.1	3.0	1.6
	Sugars (in g)	**1.7**	*<0.5g*[2]	2.5	0.5
	Protein (g)	**14.0**	9.7	13.9	14.0
	Fibre (g)	**6.7**	3.7	5.8	1.6
	Salt (g)	**1.2**	1.1	1.7	0.9

1.Data correct as of 01/03/2021
2.As indicated on Birds Eye website; assumes 0.25g to calculate Nutri-score

5) Assessment of Competitor Landscape

- ***Quorn* is the leading meat alternative brand in the UK with approximately 2.5x the grocery retail market share of the next biggest brand (Linda McCartney)[164]. It has category leading prompted awareness and research commissioned by management suggest consumers rate it as their favorite meat alternative brand[165]**
- **The group has approximately 33% grocery retail market share in the UK[166] when combining the *Quorn* and *Cauldron* brands owned by Quorn Foods**
- **The brand is growing in the US market and has captured an estimated 5% of frozen alternative meats in multi outlets[167]. It has two of the ten fastest growing SKUs[168] and a nationwide QSR launch with the 'Unreal Wings' in Hooters**

UK Market

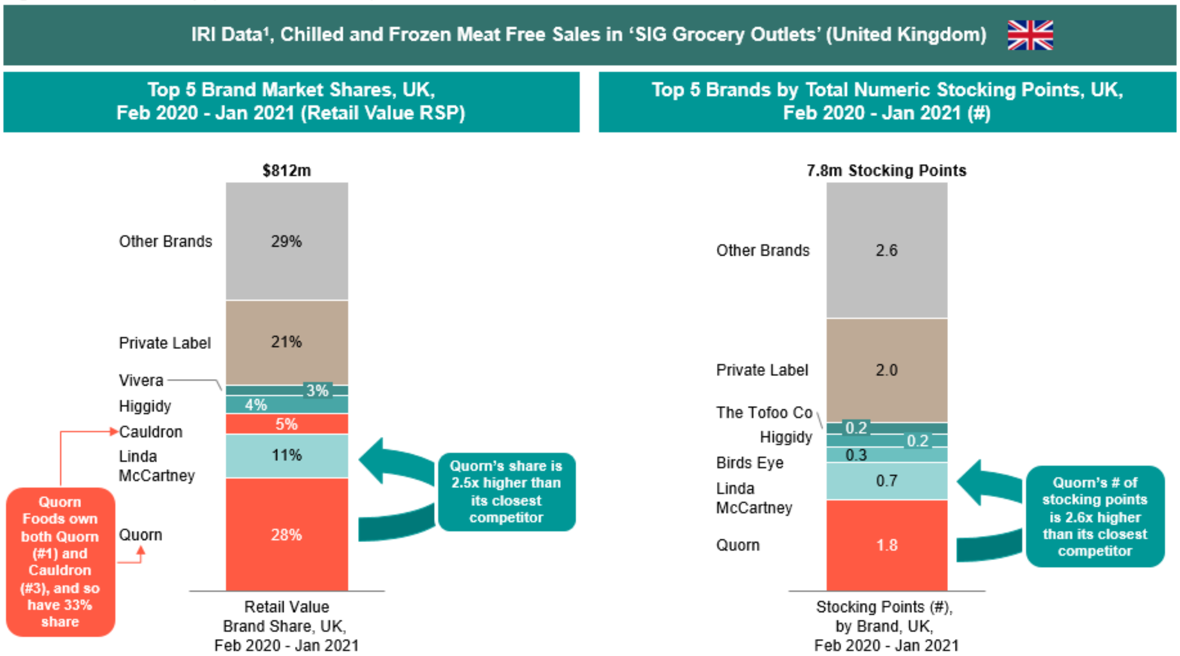
In the UK *Quorn* is the #1 meat free brand by grocery sales, with an estimated 28% share in 2020, approximately 2.5x the sales and an estimated 2.6x the number of stocking points of the next biggest competitor Linda McCartney *(Fig. 11)*[169]. Quorn Foods also owns the #3 brand *Cauldron* which in 2020 had an estimated 5% share of the market[170].

[164] IRI Data Chilled and Frozen Meat Free Products: based on all sales in "SIG Grocer Outlets" United Kingdom, Last Twelve Months January 2021
[165] January 2021 study conducted by Blue Yonder and commissioned by Quorn Foods N=369
[166] IRI Data Chilled and Frozen Meat Free Products: based on Quorn and Cauldron in "SIG Grocer Outlets" United Kingdom, Last Twelve Months January 2021
[167] Calculation based on data reported by Information Resources, Inc. through its Advantage Service for the Dinners/Entrees-FZ, Meat-FZ, Poultry-FZ, Processed Poultry-FZ categories for the 52-week period ending January 24th, 2021 in US MULO using custom definitions. MULO includes include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
[168] Among the Top 100 selling SKUs (2020), IRI Data: based on all sales in Multi Outlets US 2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
[169] Refer to footnote 166
[170] Refer to footnote 166

The brand is widely recognized among UK consumers, with an estimated 94% prompted awareness *(Fig. 12)*[171], leading brand loyalty[172] (46%), and online brand engagement (unique website visits are approximately 3x higher than #2 brand Linda McCartney[173]).

As the UK grocery market for meat alternatives has rapidly expanded, several brands have entered the market, filling new space created by grocery retailers for the category. Since 2016, overall distribution points in UK grocery retail have increased from an estimated 3.1 million in 2016 to an estimated 7.8 million in 2020, of which approximately 3.7 million have been taken by private label products and brands with less than 3% share of the total market[174]. Reflecting Quorn Foods' established position and extensive existing range (see below), *Quorn's* distribution points have increased approximately 21% (approximately 1.5 million in 2016, 1.8 million in 2020), while sales per distribution point have increased by approximately 3.2%. The incumbency effect combined with rapid space, brand and consumer expansion along with reasons discussed in the *"Management's Discussion and Analysis of Financial Condition"* part of this Prospectus on page 140 have contributed to a share loss across this period of approximately 5.8% points per year[175].

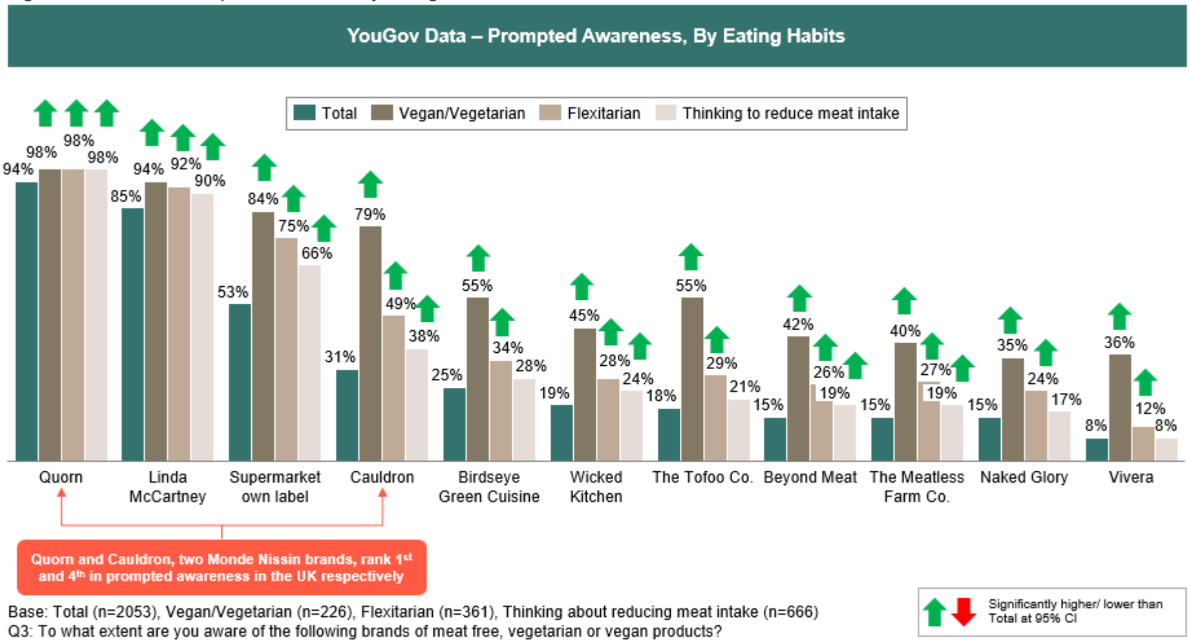
Fig 11: Quorn vs. Comps, UK Market Share, LTM Jan 2021



1. *IRI Data on Chilled and Frozen Meat Free Products: based on all sales in "IRI Grocery Outlets" United Kingdom 2020 (2020: Last Twelve Months January 2021)*

[171] YouGov survey with Q: To what extent are you aware of the following brands of meat free, vegetarian, or vegan products? N=2053.
[172] Kantar World Panel Data 2019
[173] Similar web data correct for the period Jan-Dec 2020 on 19/02/2021
[174] IRI Data: based on all sales in "IRI Grocery Outlets" United Kingdom, Last Twelve Months January 2021
[175] Refer to footnote 174

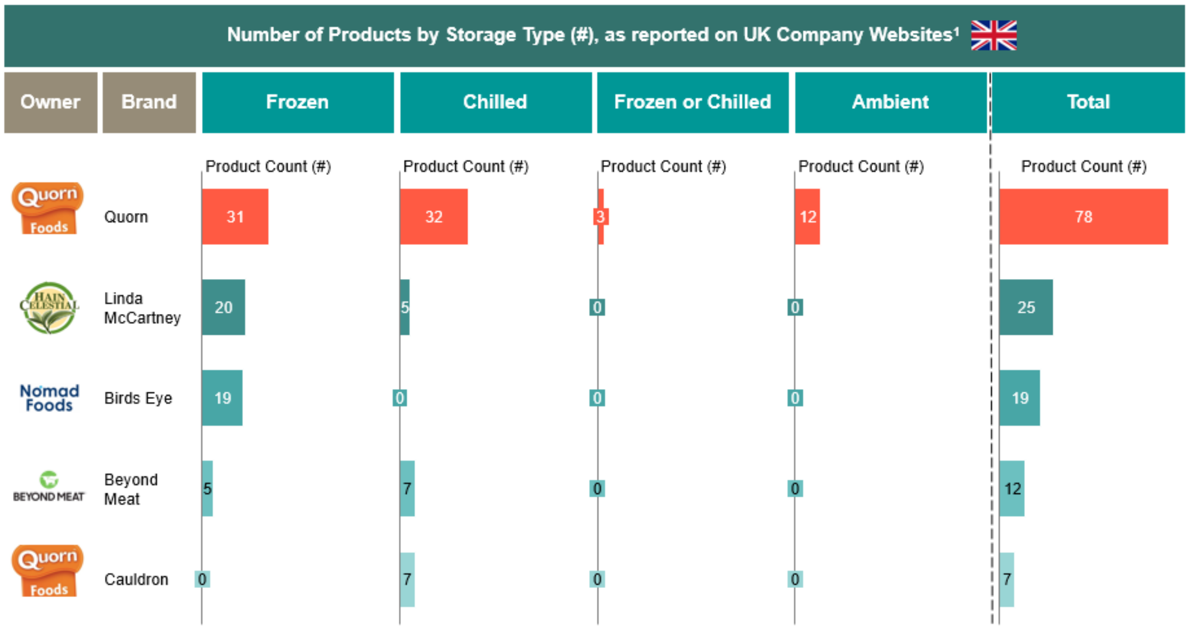
Fig 12: Quorn's UK Prompted awareness by eating habits



Base: Total (n=2053), Vegan/Vegetarian (n=226), Flexitarian (n=361), Thinking about reducing meat intake (n=666)
Q3: To what extent are you aware of the following brands of meat free, vegetarian or vegan products?

Quorn has what is estimated to be the broadest meat alternative product portfolio in the UK market with an estimated 78 products across all major meat alternative categories. The closest competitors are Linda McCartney and Birds Eye with an estimated 25 and 19 products respectively *(Fig. 13*[176]*)*. *Quorn's* range covers frozen, chilled, and ambient products across several occasions such breakfast, lunch, dinner, and snacking. In 2020, *Quorn* had an estimated 38% grocery share in meat free Snacks, and an estimated 84% in meat free Deli[177].

Fig 13: Quorn vs. Competitors, Number of Products by Storage Type (#)



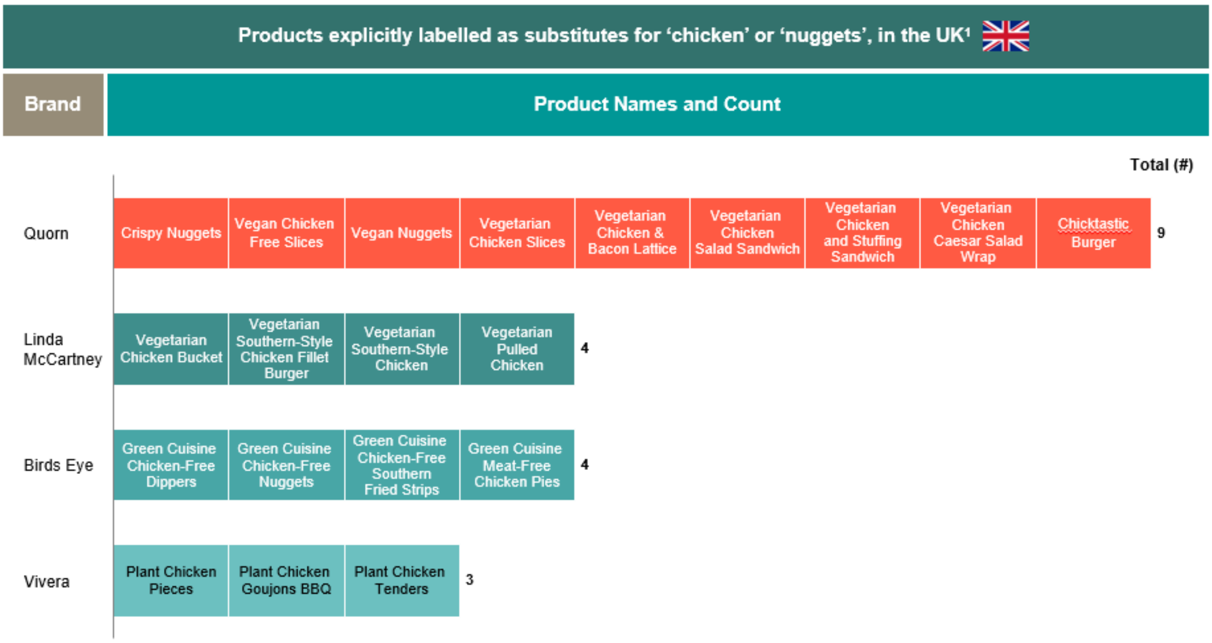
1. Data collected from UK company websites accurate as of 19/02/2021

Quorn has a specific strength in the poultry alternatives category, with approximately 68% retail share of chicken alternative products in 2020, representing around 46% of all *Quorn* sales[178]. In the UK, the brand offers

[176] Data collected from UK company websites accurate as of 19/02/2021
[177] IRI Data: based on all sales in "SIG Grocer Outlets" United Kingdom, Last Twelve Months January 2021 (for "snacks," "deli" and "ready meals")
[178] IRI Data for "chicken products" in "Grocery Outlets" United Kingdom, Last Twelve Months January 2021)

approximately 9 products explicitly labelled as substitutes for ‘chicken’ or ‘nuggets’, more than twice as many as Linda McCartney or Birds Eye, its closest competitors *(Fig. 14[179])*.

Fig 14: Number of products explicitly labelled as substitutes for ‘chicken’ or ‘nuggets’



1. Data collected from UK company websites accurate as of 19/02/2021

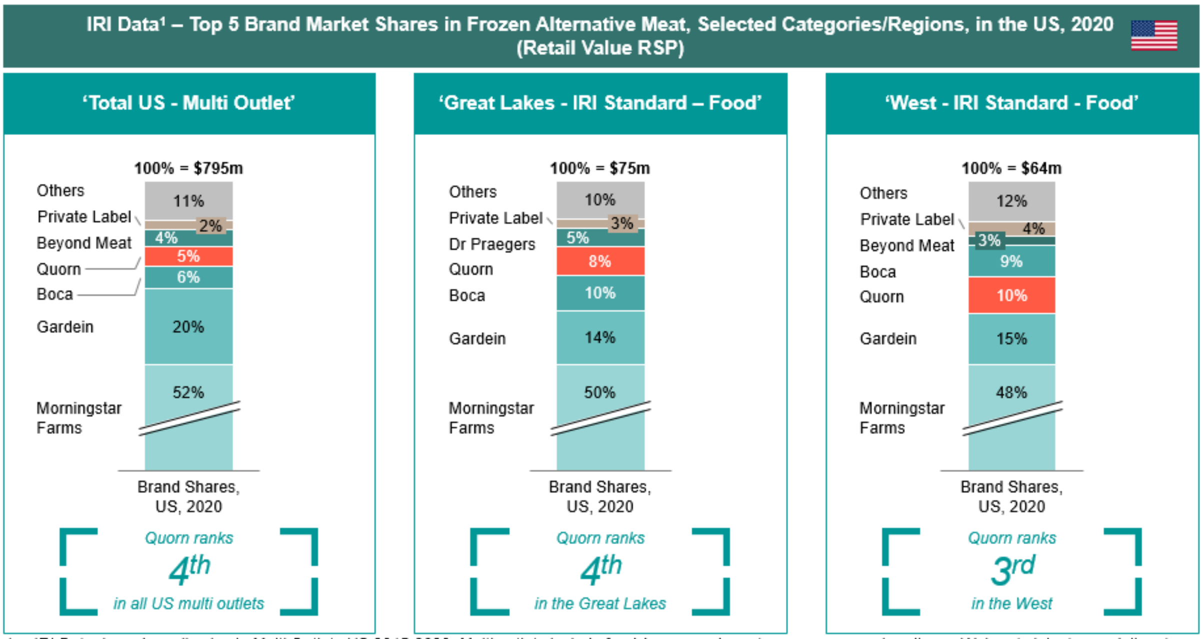
Quorn is also estimated to have a market-leading position in UK foodservice chains[180]. Of the top 50 chains in the UK[181], approximately 36 have a meat alternative option on their online menu in February 2021, with an estimated 18 of these explicitly reporting that they were using a third-party supplier for this option[182]. Research based on UK company websites indicates that *Quorn* currently supplies more chains than any other competitor[183], supplying 9 of the Top 50, and 4 of the Top 10 (Costa Coffee, Greggs, KFC, and Pizza Hut). Beyond Meat appears to be in second place, based on foodservice website menus, explicitly references as supplying 7 of the Top 50 but only 1 of the Top 10 (Starbucks).

US Market

In the US, the *Quorn* brand is less well established and has to date focused on frozen alternative meats, accounting for approximately 97% of Quorn Foods’ USA sales in 2020[184]. Within this sub-category *Quorn* has captured around an estimated 5% share in US multi outlets in 2020, making it probably the fourth largest frozen alternative meat brand in the country[185]. According to Quorn Foods’ management the brand captures larger market shares in specific cities and regions where brand marketing has focused – for example, the Great Lakes and in the West where *Quorn* has 8.0% and 10.5% market share respectively *(Fig. 15)*.[186]

[179] Data collected from UK company websites accurate as of 19/02/2021
[180] Of the 18 restaurant chains that explicitly report using a 3rd-party supplier, Quorn is mentioned 9 times, followed by Beyond (7 times)
[181] Based on GlobalData’s foodservice database, which includes full-service restaurants, pubs & bars, QSRs and fast food chains ranked by 2019 UK sales (£m)
[182] Data collected from UK company websites accurate as of 19/02/2021
[183] Of the 18 QSRs that explicitly report using a 3rd-party supplier, Quorn is mentioned 9 times, followed by Beyond (7 times)
[184] Quorn’s frozen meat alternatives sales accounted for 97.0% of Quorn’s frozen and refrigerated meat alternatives sales in 2020 in ‘IRI Data: Multi outlets including food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
[185] IRI Data: based on all sales in Multi Outlets US 2017-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
[186] IRI Data: based on all sales in Multi Outlets US 2017-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA and IRI definitions of “Great Lakes” and “West,” 2020

Fig 15: US Brand Shares, Frozen Meat Alternatives, 2020

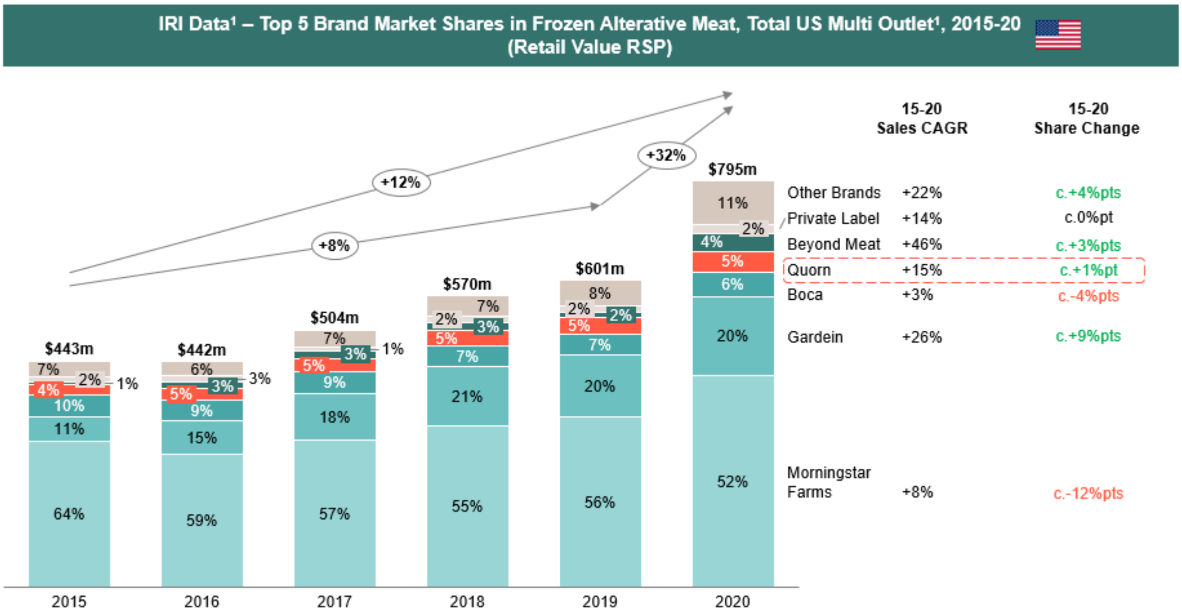


1. IRI Data: based on all sales in Multi Outlets US 2015-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA

The frozen meat alternative market in multi-outlets in the USA has grown at around 12%pa between 2015 and 2020, with higher growth in 2020 (an estimated 32% YoY growth to 2020), likely driven by higher overall grocery market spend[187]. Since 2015, *Quorn* has gained approximately 1% ppt of share, consistently maintaining its position as the #4 brand, and closing the gap to #3 brand Boca to a single percentage point[188]. Over this period smaller players appear also to have increased their share, but this seems to mostly be at the expense of the frozen meat alternative market leader Morningstar Farms which has lost an estimated 12% ppts of share over this time period *(Fig. 16)*[189].

[187] https://www.lendingtree.com/credit-cards/survey-grocery-shopping-food-buying-pandemic/
[188] IRI Data: based on all sales in Multi Outlets US 2015-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
[189] IRI Data: based on all sales in Multi Outlets US 2017-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA

Fig 16: US Brand Shares by Competitors, Frozen Meat Alternatives, 2015-2020

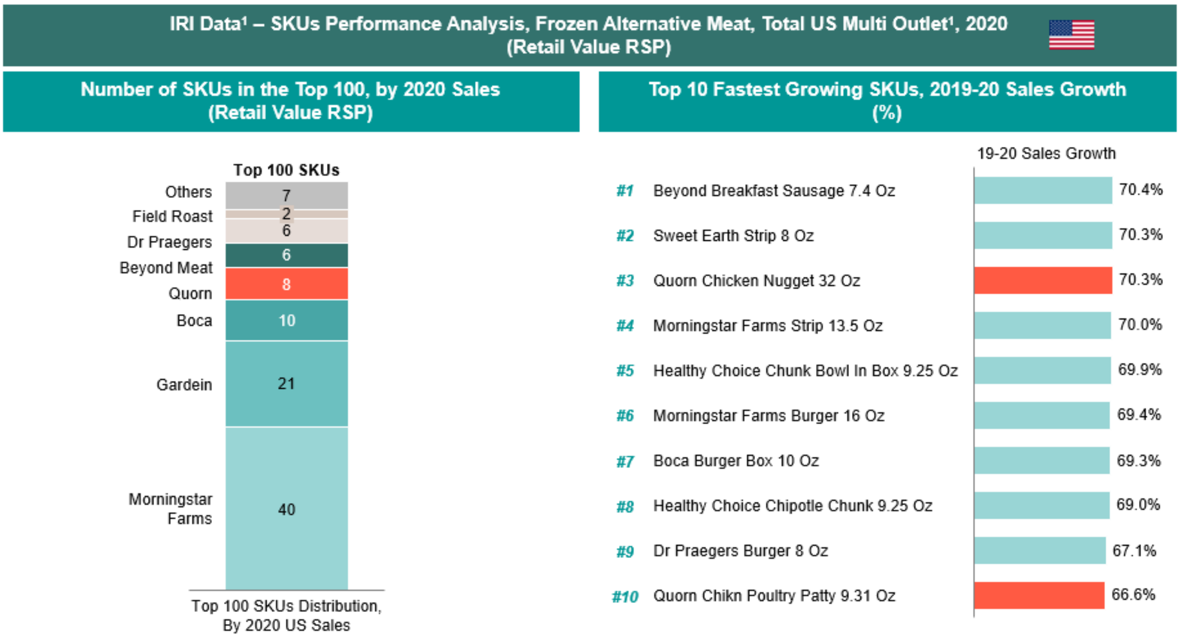


1. IRI Data: based on all sales in Multi Outlets US 2015-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA

In the US, across the leading brands[190], Quorn Foods has the third largest product portfolio with 23 SKUs across all meat alternative categories[191]. Within Quorn Foods' US range, eight of these SKUs are in the 100 best-selling SKUs in the country in 2020, including two of the ten fastest growing[192] *(Fig. 17[193])*. As in the UK, *Quorn* has a strong positioning in chicken alternatives, with *Quorn* nuggets reported to be *"the fastest-selling product within the meat-free category in Kroger"*[194].

[190] Across the top 5 brands by market share of alternative frozen meat category according to IRI total US multi-outlet in 2020 (Morningstar Farms, Gardein, Boca, Quorn and Beyond Meat)
[191] Data collected from US company websites of Quorn, Beyond Meat, Morningstar Farms, Gardein, and Boca accurate as of 19/02/2021
[192] Among the Top 100 selling SKUs (2020), IRI Data: based on all sales in Multi Outlets US 2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
[193] Based on IRI 2019 & 2020 sales in US Total Multi Outlet. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA
[194] https://vegconomist.com/companies-and-portraits/quorn-reports-7-rise-in-sales-to-220m-as-it-continues-to-profit-from-greggs-sausage-roll/

Fig 17: SKUs Performance by Competitor, Frozen Meat Alternatives, 2019-2020



1. IRI Data: based on all sales in Multi Outlets US 2015-2020. Multi outlets include food / grocery, drug stores, mass merchandisers, Walmart club stores, dollar stores, and military DECA

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Prospective investors should read this discussion and analysis of the Group's financial condition and results of operations in conjunction with the sections entitled "Summary Financial and Operating Information" and "Selected Financial and Operating Information" and with the audited consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020 (the ***Audited Consolidated Financial Statements****), including the notes relating thereto, included elsewhere in this Prospectus.*

The Group's Audited Consolidated Financial Statements included in this Prospectus were prepared in compliance with PFRS.

The Group adopted PFRS 9, Financial Instruments, and PFRS 15, Revenue from Contracts with Customers, using the modified retrospective method of adoption with an initial application date of January 1, 2018. Amounts presented in the consolidated statement of comprehensive income for the year ended December 31, 2017 are based on PAS 39, Financial Instruments: Recognition and Measurement and PAS 18, Revenue. The comparative financial information for accounts affected by the adoption of PFRS 9 and PFRS 15 may not be comparable to the information presented for each of 2018, 2019 and 2020.

The Group adopted PFRS 16, Leases, using the modified retrospective approach upon adoption on January 1, 2019 and elected to apply the standard to contracts that were previously identified as leases applying PAS 17, Leases, and Philippine Interpretation IFRIC-4, Determining whether an Arrangement Contains a Lease. Amounts presented in the consolidated statement of financial position as of December 31, 2018 and consolidated statement of comprehensive income for the years ended December 31, 2017 and 2018 are based on PAS 17 and Philippine Interpretation IFRIC 4. The comparative financial information for accounts affected by the adoption of PFRS 16 may not be comparable to the information presented as of and for the years ended December 31, 2019 and 2020.

This discussion contains forward-looking statements and reflects the Group's current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors" and elsewhere in this Prospectus. *See "Forward-Looking Statements" on page x.*

GROUP OVERVIEW

The Group is among the frontrunners in the food manufacturing industry in the Philippines with a portfolio of various iconic and well-recognized brands. The Group's two core businesses are the Asia-Pacific Branded Food and Beverage Business (**APAC BFB Business**) and the meat alternative business (**Meat Alternative Business**), which includes the production, marketing and sales of the *Quorn* and *Cauldron* meat alternatives brands. The APAC BFB Business comprises three product groups: (i) instant noodles; (ii) biscuits; and (iii) other products (such as beverages, baked goods and culinary aids). According to Nielsen, in 2020, the APAC BFB Business ranked first in retail sales value in the Philippines in instant noodles and biscuits, as well as oyster sauce and yogurt drinks, sub-categories of the Others product group. In 2020, the Group's instant noodles, biscuits, yogurt drinks and oyster sauce constituted 68.0%, 30.5%, 73.2% and 56.0% of retail sales market share in the Philippines, respectively, according to Nielsen. Flagship brands contributing to the APAC BFB Business' market-leading position include: *Lucky Me!* for instant noodles; *SkyFlakes*, *Fita*, *Nissin* and *M.Y. San Grahams* for biscuits; *Mama Sita's* for culinary aids and *Dutch Mill* for yogurt drinks. Quorn Foods is the market leader in the meat alternatives market in the U.K. with *Quorn* and *Cauldron* being the No.1 and No.3 brands with 28% and 5% grocery retail market share by value in 2020, respectively, as set out in the OC&C report.

The Group operates with an aspiration to improve the well-being of people and the planet, and create sustainable solutions for food security. These values are reflected in its product innovations and various aspects of its operations that create value to society and contribute to sustainable development. For example, to promote well-being, the Group made an unprecedented move to offer noodles with no artificial preservatives added in *Lucky Me!* wet pouch and cups. It also made an investment on the development and implementation of the first high-

speed airflow technology in one of its *Lucky Me!* product lines to reduce the palm oil content. In 2015, MNC acquired Quorn Foods, which operates the Meat Alternative Business with sustainability at its heart. In 2019, MNC also invested in NAMZ Pte. Ltd., a food science company in Singapore that dedicates its work towards creating healthier planet and people. Other initiatives have been implemented by the Group to utilize resources efficiently, move towards zero-waste-to-nature operations and transit to low-carbon economy. In addition, the Group believes that its Meat Alternative Business represents a breakthrough innovation with the mycoprotein technology serving as a sustainable source of protein. According to a report by Carbon Trust (2018), the production of mycoprotein-based *Quorn Mince* results in only 7%, 11% and 8% of beef's carbon, land and water footprint, respectively. Similarly, the production of mycoprotein-based *Quorn Pieces* results in only 29%, 36% and 34% of chicken's carbon, land and water footprint, respectively.

The Group operates the APAC BFB Business through MNC, its wholly-owned or majority-owned subsidiaries, joint ventures and established partnerships with other renowned FMCG players. The Group operates its Meat Alternative Business through Quorn Foods under the *Quorn* and *Cauldron* brands. For the year ended December 31, 2020, the APAC BFB Business generated ₱52,911 million of net sales compared to the Group's total net sales. Net sales of the APAC BFB Business mainly came from MNC's operation in the Philippines which accounted for 94.9%, 95.0% and 94.1% of the APAC BFB Business' total net sales for the years ended December 31, 2018, 2019 and 2020, respectively. The Meat Alternative Business generated net sales mainly from the U.K. and Europe. Net sales from the U.K. amounted to 73.9%, 75.0% and 76.2% of the Meat Alternative Business' total net sales for the years ended December 31, 2018, 2019 and 2020, respectively. Net sales from Europe amounted to 14.4%, 15.7% and 11.9% of the Meat Alternative Business' total net sales for each of the same years, respectively.

For each of the years ended December 31, 2018, 2019 and 2020, the Group's net sales amounted to ₱63.4 billion, ₱65.5 billion and ₱67.9 billion (U.S.$1.4 billion), total comprehensive income amounted to ₱2.4 billion, ₱5.9 billion and ₱6.7 billion (U.S.$135.6 million) and consolidated EBITDA amounted to ₱11.4 billion, ₱14.2 billion and ₱15.6 billion (U.S.$313.4 million). For the same periods, the APAC BFB Business contributed 76.4%, 76.8% and 77.9%, respectively, to the Group's net sales while the Meat Alternative Business contributed 23.6%, 23.2% and 22.1% in each of the same years. For the years ended December 31, 2018, 2019 and 2020, the APAC BFB Business contributed 78.7%, 86.7% and 95.0%, respectively, to the Group's net income before income tax while the Meat Alternative Business contributed 21.3%, 13.3% and 5.0% in each of the same years. For the years ended December 31, 2018, 2019 and 2020, the APAC BFB Business contributed 83.4%, 85.7% and 85.3%, respectively, to the Group's EBITDA while the Meat Alternative Business contributed 16.6%, 14.3% and 14.7% in each of the same years.

SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The Group's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected its results in the past, and which the Group expects will continue to affect its results in the foreseeable future. Factors other than those discussed below could also have a significant impact on the Group's results of operations and financial condition in the future.

Demand and Pricing

The Group's results of operations are affected by consumer demand for its products and pricing, in turn, affects demand. When determining its selling prices, the Group considers various factors including, among others, prices of raw materials and packaging materials, taxes, fuel prices and other costs of doing business, the prices of its competitors, distribution channels, and general economic conditions. The Group believes that instant noodles, bread and culinary aids are considered consumer staples. Biscuits, beverages and packaged cakes are less of a priority during a period of weak economy and restricted mobility. These products can be sensitive to movements in disposable incomes, change in product prices and competitive pressures. In 2020, there was flat to declining demand for biscuits, beverages and packaged cakes as these products are also purchased for lunch boxes, between meals, and on-the-go consumption. Restricted mobility affected some occasions for use of biscuits, beverages and packaged cakes during the COVID-19 pandemic.

Demand for fast-moving consumer goods is price elastic in general, particularly for consumers in the lower socio-economic classes where disposable income is limited. When prices increase or during periods of relatively weak economic growth where disposable income falls, consumers tend to switch to comparable lower-priced staple products and cut back on their consumption of discretionary products, particularly among those in the lower socio-economic classes.

In addition, demand for fast-moving consumer goods is also influenced by the relative price relationships between such goods, consumer products and other products and services in general. Consumers are prone to adjust their buying choices according to shifts in the perceived value-for-money propositions of the products. The Group intends to continue to innovate its products to enhance the perceived product values.

Changes in Consumer Tastes and Preferences

The Group's future growth will depend on its ability to maintain the competitive positions of its product portfolios and brands by being able to proactively anticipate and respond to constant changes in consumer tastes and preferences. A key element in maintaining the market share for the Group's product portfolios is the ability to continuously and successfully introduce new products and product extensions to capture prevailing consumer preferences.

Consumer preferences may change due to various factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle and leisure activity patterns, regulatory actions and actions of competitors, any of which may affect consumers' perception of and willingness to purchase the Group's products, which may significantly impact its results of operations.

To illustrate, the recent trend towards healthier and more sustainable living is encouraging a shift towards the consumption of healthier food products and products that have a positive environmental impact. These trends have opened up new product markets for the Group and prompted the Group to adapt its products to suit prevailing consumer preferences. In addition, demographic changes in the Philippines, including a growing middle class and young adult population, have increased the number of potential consumers of the Group's products. They have greater exposure to media and other cultures and lifestyles and, as a result, they are more diverse in their choices and are less likely to develop loyalty to any brand or specific type of food or beverage as compared to previous generations.

The Group regularly keeps abreast of the evolving consumer preferences and believes that its current broad array of products is able to address the shifts in trends. For example, to cater to a preference for a healthier product, the Group adopted high-speed airflow technology, infused its instant noodles with vegetable oil and reduced palm oil in one of its *Lucky Me!* products. The Group also added a healthy bread product line to its portfolio offering of bread that contains fiber and wheat and has low or no sugar. For customers who demand food products that are more environment-friendly and offer health benefits, the Group believes that *Quorn* mycoprotein meat alternative products are well-placed to serve this segment. To take advantage of the "premiumization" trend of consumers, particularly from the growing rising middle class seeking higher quality and higher value products, the Group expanded its mass premium segment (the segment between premium and mainstream price points) by launching instant noodles with Asian flavors and instant pasta under the *Lucky Me!* brand and introducing *Monde Specials* as its mass premium packaged baked goods line offering high-quality baked products such as sponge cake, among other initiatives.

Effectiveness of Sales and Marketing Activities

The effectiveness of the Group's sales and marketing activities is critical to its market share expansion and revenue growth. The Group communicates with consumers through various channels and touch points, including advertisement on television, radio programs, social media platforms (such as YouTube, Facebook, Instagram and Twitter), its website, program sponsorships, billboards and brand activation roadshows. Customer touchpoints at the purchase stage include in-store promotions and loyalty programs. In addition, the Group partners with celebrities and other key influencers for media or online collaborations and events.

Advertising affects consumer awareness of the Group's products and brands, which, in turn, affects purchase decisions and, consequently, sales volumes. The Group believes that product differentiation and brand loyalty are achieved through its marketing and image-building efforts and consumer brand preferences are the cumulative result of exposure to the brands over an extended period of time. However, the effects of these sales and marketing activities may be delayed, resulting in a delayed revenue growth which may not be fully reflected during the period in which the sales and marketing activities took place.

Prices of Raw Materials and Packaging Materials

Direct materials are major components of the Group's cost of goods sold. Direct materials comprise raw materials and packaging materials. Raw materials primarily consist of wheat, palm oil, flour, sugar and coconut oil. The Group sources a majority of raw materials and all of its packaging materials from third parties in the Philippines and internationally.

Raw materials are subject to significant price volatility caused by a number of factors, including changes in global supply and demand, extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, and currency exchange rate fluctuations. In addition, the Group's ability to obtain raw materials and packaging materials is affected by a number of factors beyond its control, including natural disasters, governmental laws and policies, interruptions in production by suppliers and the availability of transportation.

The Group's profitability is dependent on, among other things, its ability to anticipate and react to fluctuations in the price of raw materials and packaging materials. An increase in prices for or shortage of the Group's raw materials and packaging materials generally leads to an increase in production costs or interruption in the Group's production schedules, each of which could adversely affect its operating margins. Production delays could lead to reduced sales volumes and profitability as well as loss of market share. Conversely, favorable movements of raw materials costs and other items would improve the Group's margins and results of operations. The Group has been able to mitigate price fluctuations in raw materials to some extent through a combination of (i) operational synergy, (ii) the use of long-term contracts with suppliers to lock in pricing and (iii) the Government price control of sugar, its second most consumed raw material. Given that a significant portion of the Group's flour requirement is produced in-house at its Santa Rosa facility, the Group enjoys consistent supply, quality and cost savings for flour from this operational synergy. Operational synergy is also achieved in the supply of seasoning for instant noodles production. The Group set up a seasoning plant in Thailand to produce seasoning and condiments for its noodle plants in the Philippines. The Group also utilizes the mycoprotein from its own fermenters for its *Quorn* products.

Increases in costs of raw materials and packaging materials can typically be passed on to consumers. However, this may affect consumer demand as the Group's consumers are generally price sensitive. In some cases, these increases are not immediately passed on, if at all, to consumers in order to maintain or grow sales volumes and to protect the Group's market share. As a result, any material increase in the market price of raw materials could have a material adverse effect on the Group's operating margins, which may affect its financial position and operating performance.

Product Mix

The Group has a diversified product mix which primarily includes instant noodles, biscuits, other fast-moving consumer products and meat alternatives. The Group adopts a multi-brand approach, pursuant to which there are one or more brands or product lines under each product category. Under each brand, the Group offers products with different flavors, different package sizes and/or different types of products to provide varieties. For example, in the instant noodles product group, there are three product lines under the *Lucky Me!* brand: (i) wet pouch; (ii) dry pouch; and (iii) cups. Each *Lucky Me!* product line offers a wide array of flavors. In the Meat Alternative Business, *Quorn* has an extensive range of vegan, vegetarian and gluten-free products. *Quorn* products also cover all key shop aisles: frozen, chilled and food cupboard. The ability of the Group to continuously develop new products and launch product extensions to capture various consumer preferences enables the Group to successfully make available to its consumers a diverse and innovative product mix in a timely manner.

Typically, different products vary in product pricing, revenue growth rate and gross profit margin. Each of the Group's brands has its own unique positioning with different marketing strategies and promotional costs. As a result, the Group's revenue and profitability are largely affected by its product mix.

Competition

The Group's products face competition from other domestic producers as well as from imported products and foreign brands. Competitive factors facing the Group's products include price, product quality and availability, production efficiency, brand awareness and loyalty, distribution coverage, security of raw material supply, customer service and the ability to respond effectively to changes in the regulatory environment as well as to shifting consumer tastes and preferences.

The Group's main competitors for the instant noodles product group are domestic producers which compete on pricing and regional brands that offer different flavors and taste experiences. The biscuits and other fast-moving consumer product group face competition from a number of multi-national, national, regional and local competitors. Similar to the instant noodles product group, these players compete on pricing, taste and innovation. The Meat Alternative Business competes with a broad category of market participants such as multi-national corporates, venture capital-backed newer entrants and private labels. The product group also competes with traditional meat brands. Changes in the competitive landscape, including new entrants into the market, consolidation of existing competitors and other factors, could have a material impact on the Group's financials and results of operations. For more information on the competitive landscape of the Group's business, see "*Industry Overview*" on page 104.

Economic, Social and Political Conditions in the Philippines and Other Countries

The majority of the Group's assets and revenues from its APAC BFB Business are located in or derived from its operations in the Philippines. Therefore, the Group's business, financial condition, results of operations and prospects are substantially influenced by the economic, social and political conditions in the Philippines. Although the Philippine economy has experienced stable growth in recent years prior to the COVID-19 outbreak, the Philippine economy has in the past experienced periods of slow or negative growth, high inflation, interest rates, fuel prices, power rates and other costs of doing business, significant depreciation of the Peso, and has been significantly affected by weak economic conditions and volatilities in the global economy and the Asia-Pacific region. The COVID-19 pandemic, which led to nationwide and global restrictions and lockdown, has caused global and local economic recessions and the Philippines economy has been hard hit as a result. It is possible that the effect of the COVID-19 pandemic will extend well beyond early 2021. As consumers grapple with uncertainty, their buying behavior and preferences become more erratic.

Sales of most of the products of the Group's APAC BFB Business have been influenced, and will continue to be influenced, to some degree by the general state of the Philippine economy as well as the stability of social and political conditions in the country. While sales of a portion of the Group's products such as biscuits, beverages and packaged cakes can be sensitive to changes in income and social conditions such as restricted mobility, the Group offers products that are considered as staple items or components to staple items which are less sensitive to income changes and adverse economic, social and political conditions. These include instant noodles, bread and culinary aids.

The Group also conducts its APAC BFB Business in Thailand, including its export operations. As such, economic, social and political conditions in Thailand may also affect the Group's business, financial condition, results of operations and prospects. In addition, the COVID-19 pandemic presented certain challenges in relation to the Group's interactions with its export distributors and assessment of the quality of in-market execution.

A significant portion of the Group's assets and revenue from its Meat Alternative Business are also located in or derived from its operations in U.K. Therefore, economic, social and political conditions in the United Kingdom may also affect the Group's business, financial condition, results of operations and prospects. For example, the U.K. economy has been adversely impacted by the COVID-19 pandemic and recovery has been delayed by a

winter resurgence of the virus, new virus variants and renewed public health restrictions introduced towards the end of 2020.

Seasonality

In the consumer goods industry, results of operations generally follow seasonality of consumer buying patterns and the Group's sales are affected accordingly. In the Philippines, most food and beverage products, including those of the Group, experience increased sales from October to December related to the Christmas and New Year's season. Consequently, the fourth quarter has historically been the Group's strongest quarter by volume for culinary aids and some of its biscuit products including *M.Y. San Grahams*. Seasonality during certain events also affect the Group's sales. In addition, seasonality varies across product types. Some of the Group's products have distinct seasonality. For instance, *Lucky Me!* wet pouch instant noodles see an increase in sales in the colder months as customers' preference for warm food increase. The Government also sources instant noodles, a staple in its relief goods package, from the Group for distribution to the public. A number of biscuit products experience higher sales during the school year as the Group's products are generally purchased for lunch boxes, between-meals and on-the-go consumption as well as for consumption at home. As a result, seasonality could affect the Group's financial condition and results of operations from one quarter to another, particularly in relation to the fourth quarter of each year. To counter the seasonality of some of its products, the Group created marketing and advertising initiatives that encourage the sustained consumption of its products throughout the year. The Group believes that diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio.

Innovation

In addition to its ability to introduce new product innovations and renovations, delivering on the Group's aspiration will also depend on the Group's ability to continuously drive loss-focused process innovations and work system innovation. Continuous improvement in process innovation and work system redesign will impact multiple fronts such as superior quality and consumer experience, fresher products to market, higher productivity, and improved sustainability via less wastage/use of resources and better process reliability. As an example, for the year ended December 31, 2020, the transportation and warehousing cost of the Company as a percentage of net sales decreased to 4.8%, compared to 5.5% and 5.1% in 2018 and 2019, respectively, through innovative supply solutions that at the same time improved customer service levels and inventory days.

Some innovations in the value chain, however, may require significant investment and lead time such that its beneficial impact may get reflected in latter periods and not during the time the investments were made.

COVID-19 Pandemic

At the early onset of the COVID-19 pandemic in the Philippines, the Group faced the difficult task of ensuring the health and welfare of its employees while ensuring food supply especially noodles pouches and crackers, which are considered staples during tough times. The Group adapted quickly and both objectives were achieved without compromises. The Group stayed in touch with the local communities, related industries, its customers, its suppliers, and its people. The management team gathered daily to swiftly align decisions on the rapidly evolving situation. It also immediately deployed infection control process in all of its facilities. Overall, the Group did not experience a material disruption in its production process and supply chain.

The Group focused on producing and delivering its products in response to the spike in demand and quickly adapted to optimize production with a skeleton crew to achieve utmost efficiency. In addition, it focused on collaborating internally and with its suppliers and customers to ensure food supply to the Filipinos. It was also able to recruit volunteers to work an extra shift on multiple Sundays to produce donation goods to the unprivileged communities in collaboration with local government units and NGO partners. By the third week after the Luzon-wide lockdown in the Philippines, the Group was able to increase its noodles production capacity to 100%. The Group believes its multiple plants enabled its operations to remain resilient and to have scaled operations in multiple locations in the Philippines during the COVID-19 pandemic. In addition, the ASRS of the Group allowed

it to operate safely and maintain sales growth. These were complemented by the ability of the Group to operate efficiently despite having just approximately 50% of its manpower at the Group's facilities in the Philippines.

In particular, recognizing the strength of its brands and a deep understanding of consumer behavior of reverting back to core, the Group pivoted to producing mainly the core product lines of *Lucky Me! Instant Mami*, *Lucky Me! Pancit Canton*, *SkyFlakes* and *Fita* which enabled mass production by its suppliers and its plants, and allowed for by pallet and half-pallet shipments to its customers. This decision paved the way for supply assurance from suppliers to customers, while substantially reducing the workforce on site. As a result, the Group was able to minimize disruption and increase the production of instant noodle pouches by over 20% during the lockdown period from March to June 2020. The Group learned continually and quickly by benchmarking externally and intensively allowing for the resumption of the rest of the categories sooner.

For the year ended December 31, 2020 when the COVID-19 pandemic widely spread, there was flat to declining demand for biscuits, beverages and packaged cakes. The Group believes that this is due to these products being less of a priority during a period of weak economy. In addition, as biscuit and other snack-type products are generally purchased for lunch boxes and between-meals and on-the-go consumption, there were fewer occasions for use of these products while the general public was in lockdown and relied more on home cooking. The APAC BFB Group, however, saw a spike in sales volume of instant noodles and culinary aids especially oyster sauce in the same period as these are perceived to be staple products. Given that *Lucky Me!* is seen as comforting food and *Mama Sita's* oyster sauce is a versatile product, the Group believes that the public tends to resort to these products during tough times. The Government also sourced instant noodles from the Group for donation to the public. To leverage on this trend and boost consumption, the Group has been educating the public on many ways instant noodles can be enjoyed. This includes showing how consumers can use *Lucky Me! Instant Mami* to make nutritious breakfast by adding readily available household items such as milk, eggs and vegetables and launching *Lucky Me! Pancit Canton* Easy PC Recipes to demonstrate quick ways to add a twist to the product such as *Pancit Canton* Omelette and Cheesy *Pancit Canton*. The Group also communicated the unique value proposition of *Mama Sita's* oyster sauce to elevate the taste of everyday dishes at only ₱6 per sachet.

For the year ended December 31, 2020, online sales saw a 17-time increase in net sales value, compared to the prior year. The Group believes that its community distribution network added a competitive advantage to its customer outreach during the COVID-19 pandemic as some of its competitors did not have channels to connect with customers given the social distancing restrictions. As many of the products that the Group offers are considered as staple items or components to staple items, the Group believes that its business is resilient to income changes and adverse economic conditions brought by the COVID-19 pandemic. Nevertheless, it has ramped up its sales and marketing efforts to increase visibility of its brands.

During the COVID-19 pandemic, the Group prioritizes safety of its employees and provides various support to ensure the well-being of its workforce. For example, the Group installed sanitization equipment such as alcohol gel dispensers throughout its facilities, handed out masks, allowed employees to take special leaves and provided isolation facilities for suspected cases. The Group encourages employees to care for their health and implemented the "Commit to COVID-19 free" program which provides incentives to employees who do not contract COVID-19 throughout the relevant period.

Capacity and Utilization of the Group's Facilities

The ability of the Group to meet the demand for its products depends on its ability to build, maintain and expand its production capacity. Capacity expansion affects the ability of the Group to introduce new products or new uses for its existing products, which, in turn, impacts the ability of the Group to be agile and responsive to rapidly changing customer needs and expectations.

The primary ingredient in all *Quorn* products in the Group's Meat Alternative Business is mycoprotein, a fungi-based protein that is grown through the process of fermentation at the Belasis facility of Quorn Foods. The Stokesley facility produces a mixture of finished products for sale and intermediate products for further processing, while the Methwold facility manufactures products for both the *Quorn* and *Cauldron* brands and has

the capability to produce chilled products. See "*Meat Alternative Business — Quorn Foods — Manufacturing Facilities"* on page 240 for a description of Quorn Foods' manufacturing facilities. In 2018, the plan for the new forming facility BF1 in Belasis to be operational by August 2018 was delayed due to design and construction issues. In the same year, a chiller failure at the Stokesley facility reduced Quorn Foods' forming capacity at that site. As a consequence of these, Quorn Foods had an unplanned and material reduction in its forming capacity, resulting in a depleted inventory position at the start of 2019. While Quorn Foods experienced strong sales demand, it could not fulfil such demand despite the Stokesley chiller unit returning to service in the first quarter of 2019. In an effort to rebalance the strong demand with the reduced supply, Quorn Foods cut marketing expenditure and promotional programs, and self-delisted certain product groups. Quorn Foods' level of service to its customers declined leading to customer discontent and strained relationships. In addition, Quorn Foods limited its innovation and new product development program due to a lack of line time availability at the forming facility. In 2020, Quorn Foods underwent a transformational change across all levels of the organization. Marco Bertacca was appointed as CEO, the management team was strengthened, the Stokesley forming facility was upgraded and capacity expanded, and the BF1 forming facility was commissioned. By mid-2020, inventory levels and service levels normalized. The construction of the new fermenter, BQ5, is on track to be operational by mid-2021. As a result of this, Quorn Foods believes that it has adequate fermenting and forming capacity for demand in the short term. Despite the operational challenges, the net sales of Quorn Foods increased, in British Pound terms, by 2.8% in 2020. During this period, the meat alternatives category outpaced *Quorn*'s growth and customers looked to other suppliers, leading to a decline in the market share of *Quorn*. There has been a partial market share recovery in January 2021.

Capacity improvement and expansion requires significant capital investment, including in rapidly changing technologies and innovations. An investment in new technology or an enhancement of an existing technology, in each case to increase capacity and utilization, may result in similar or other operational challenges. Furthermore, the effects of these investments may be delayed, resulting in a delayed revenue growth which may not be fully reflected during the period in which the investments were made.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those that are both (i) relevant to the presentation of the Group's financial condition and results of operations and (ii) require the management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increase, those judgments become even more subjective and complex. In order to provide an understanding of how the management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, the Group has identified the significant accounting judgments, estimates and assumptions discussed in Note 3 to the Audited Consolidated Financial Statements included elsewhere in this Prospectus. While the Group believes that all aspects of its financial statements, including the accounting policies discussed in Note 2 to the Audited Consolidated Financial Statements, should be studied and understood in assessing its current and expected financial condition and results of operations, the Group believes that the significant accounting judgments, estimates and assumptions discussed in Note 3 to the Audited Consolidated Financial Statements warrant particular attention.

DESCRIPTION OF KEY LINE ITEMS

The following discussion provides a description of key line items of our consolidated statements of total comprehensive income for the year ended December 31 2018, 2019 and 2020 which are based on, and should be read in conjunction with, it's Audited Consolidated Financial Statements and related notes included elsewhere in this Prospectus.

Net Sales

The Group generates net sales from the Group's two core businesses: the APAC BFB Business and the Meat Alternative Business. See "Business" on page 178 for more information about the two business segments.

The table below summarizes the contribution of net sales to the Group's total net sales for the periods indicated. The amount is net of sales returns and allowances, discounts, display allowances and listing fees (except for 2017).

	For the year ended December 31,				
	2020	**2019**	**2018**	**2017**	**CAGR (2017-2020)**
			₱ in millions		
APAC BFB	52,911	50,260	48,389	44,338	6.1%
Meat Alternative.............	15,035	15,191	14,978	12,955	5.1%
Total...............................	**67,946**	**65,451**	**63,367**	**57,293**	**5.8%**

Cost of Goods Sold

Cost of goods sold comprises expenses incurred in manufacturing the Group’s products including those relating to direct materials (including the cost of raw materials used in production, movement in the finished goods and work-in-process, direct labor (including salaries, wages and benefits for employees involved in production operations) and manufacturing overhead (depreciation and amortization, repairs and maintenance, plant utilities and other consumption, indirect labor, light and water, steam, rent and others).

The table below summarizes the details of cost of goods sold for the periods indicated.

	For the year ended December 31,							
	2020		**2019**		**2018**		**2017**	
	₱ in millions, except percentages							
		% to Total		% to Total		% to Total		% to Total
Direct materials	31,119	75.1%	28,768	71.6%	27,927	71.3%	25,599	73.9%
Direct labor	3,264	7.9%	2,927	7.3%	3,276	8.4%	3,121	9.0%
Manufacturing overhead:								
Depreciation and amortization	1,899	4.6%	1,676	4.2%	1,616	4.1%	1,465	4.2%
Repairs and maintenance	1,416	3.4%	1,313	3.3%	1,133	2.9%	1,027	3.0%
Plant utilities and other consumption	1,058	2.6%	1,171	2.9%	1,029	2.6%	927	2.7%
Indirect labor	977	2.4%	1,047	2.6%	657	1.7%	385	1.1%
Light and water	704	1.7%	731	1.8%	1,002	2.6%	988	2.9%
Steam	489	1.2%	446	1.1%	431	1.1%	180	0.5%
Rent	50	0.1%	43	0.1%	77	0.2%	66	0.2%
Others	1,187	2.9%	1,714	4.3%	969	2.5%	931	2.7%
Total manufacturing costs	42,163	101.7%	39,836	99.1%	38,117	97.3%	34,689	100.1%
Inventory movements								
Finished goods	(372)	(0.9%)	202	0.5%	1,051	2.7%	(229)	(0.7%)
Work in-process	(351)	(0.8%)	156	0.4%	14	0.0%	200	0.6%
	41,440	**100.0%**	**40,194**	**100.0%**	**39,182**	**100.0%**	**34,660**	**100.0%**

Sales, General and Administrative Expenses

Sales, general and administrative expenses comprise other expenses relating to the sale of the Group’s products but not directly incurred in the manufacture of its products and principally include advertising and promotional expenses, salaries, wages and employee benefits, transportation and delivery expenses and expenses pertaining to outside services.

The detail below summarizes Sales, General and Administrative expenses for the periods indicated.

	For the year ended December 31,							
	2020		2019		2018		2017	
	₱ in millions, except percentages							
		% to Total		% to Total		% to Total		% to Total
Salaries, wages and employee benefits	3,805	28.4%	3,258	24.8%	2,689	18.0%	2,069	14.1%
Advertising and promotional expenses	3,357	25.0%	3,504	26.7%	4,414	29.6%	4,562	31.0%
Transportation and delivery	2,518	18.8%	2,508	19.1%	4,115	27.6%	4,083	27.8%
Outside services	1,083	8.1%	1,156	8.8%	1,026	6.9%	696	4.7%
Depreciation and amortization	405	3.0%	377	2.9%	267	1.8%	241	1.6%
Taxes and licenses	349	2.6%	300	2.3%	327	2.2%	218	1.5%
Fringe benefit tax	220	1.6%	112	0.9%	107	0.7%	131	0.9%
Repairs and maintenance	217	1.6%	390	3.0%	309	2.1%	240	1.6%
Dealer support	173	1.3%	202	1.5%	204	1.4%	150	1.0%
Insurance	168	1.3%	107	0.8%	87	0.6%	94	0.6%
Research and development	160	1.2%	126	1.0%	122	0.8%	154	1.0%
Provision for expected credit losses and write-off	114	0.9%	30	0.2%	191	1.3%	165	1.1%
Project costs	103	0.8%	180	1.4%	5	0.0%	65	0.4%
Warehouse supplies	65	0.5%	100	0.8%	73	0.5%	-	0.0%
Light, water, and telecommunication	61	0.5%	98	0.7%	80	0.5%	78	0.5%
Entertainment, amusement and recreation	18	0.1%	17	0.1%	71	0.5%	67	0.5%
Rent	7	0.1%	36	0.3%	168	1.1%	138	0.9%
Display Allowance *	-	-	-	-	-	-	545	3.7%
Others	586	4.4%	640	4.9%	662	4.4%	1,016	6.9%
	13,409	100.0%	13,141	100.0%	14,917	100.0%	14,712	100.0%

*Display allowance and listing fees were considered as reduction to net sales for the years ended December 31, 2018, 2019 and 2020 in the Audited Consolidated Financial Statements in accordance with PFRS 15.

Impairment loss

Impairment loss comprises impairments made on the Group's property, plant, equipment and investments.

Share in Net Losses of Associates and Joint Ventures

Share in net losses of associates and joint ventures comprises the Group's proportional share (based on its percentage ownership) of losses incurred by its associate entities and joint ventures.

Foreign exchange gain / (loss)

Foreign exchange gain / (loss) pertains to gains or losses arising from the Group's transactions in currencies other than the Peso.

Gain/(Loss) on Sale of Property, Plant and Equipment

Gain/(loss) on sale of property, plant and equipment comprises gains and losses from sales of the Group's assets including its subsidiaries.

Miscellaneous Income

Miscellaneous income mainly comprises of service fees charged by the Company primarily for reimbursement of share of principals in common expenses, reversal of allowance for expected credit losses, gain from disposal of shares of stock, bargain purchase and other miscellaneous items.

Interest Expense

Interest expense comprises interest charges incurred by the Group on its interest-bearing liabilities, such as loans payable and acceptance and trust receipts payables. This also includes accretion of interest on convertible note, amortization of debt issue costs and interest on lease liabilities and other indebtedness.

Interest Income

Interest income comprises interest earned by the Group on cash and cash equivalents, gain on loan modification and noncurrent receivables.

Derivative Gain/(Loss)

Derivative gain (loss) consists of derivative gain/(loss) from cross currency swaps (**CCS**), European Knockout Option (**EKO**), equity conversion and redemption options, and swaps. The Group engages in derivative transactions, particularly CCS and EKO, to manage its foreign currency risk arising from its net investment. These derivatives are accounted for as accounting hedges. The Group also has embedded derivatives as a result of the equity conversion and redemption options of the Arran Convertible Note.

SEGMENT DATA

The Group has two operating segments: APAC BFB Business and Meat Alternative Business.

The table below presents certain financial information relating to the Group's results of operation by segment for the periods indicated.

	For the year ended December 31,							
	2020		2019		2018		2017	
	₱ in millions, except percentages							
Net Sales		% to Total Net Sales		% to Total Net Sales		% to Total Net Sales		% to Total Net Sales
APAC BFB......................	52,911	77.9%	50,260	76.8%	48,389	76.4%	44,338	77.4%
Growth vs. prior year	*5.3%*		*3.9%*		*9.1%*			
Meat Alternative.............	15,035	22.1%	15,191	23.2%	14,978	23.6%	12,955	22.6%
Growth vs. prior year	*(1.0%)*		*1.4%*		*15.6%*			
Total................................	**67,946**	**100.0%**	**65,451**	**100.0%**	**63,367**	**100.0%**	**57,293**	**100.0%**
Growth vs. prior year	**3.8%**		**3.3%**		**10.6%**			
Gross Profit		% of Segment Net Sales		% of Segment Net Sales		% of Segment Net Sales		% of Segment Net Sales
APAC BFB......................	20,928	39.6%	19,696	39.2%	17,100	35.3%	15,798	35.6%

Meat Alternative.............	5,578	37.1%	5,561	36.6%	7,085	47.3%	6,834	52.8%
Total................................	**26,506**	**39.0%**	**25,257**	**38.6%**	**24,185**	**38.2%**	**22,632**	**39.5%**
Operating Profit[1]								
APAC BFB	11,466	21.7%	10,472	20.8%	7,764	16.0%	6,195	14.0%
Meat Alternative.............	1,631	10.8%	1,644	10.8%	1,504	10.0%	1,726	13.3%
Total................................	**13,097**	**19.3%**	**12,116**	**18.5%**	**9,268**	**14.6%**	**7,921**	**13.8%**
EBITDA[2]								
APAC BFB......................	13,269	25.1%	12,152	24.2%	9,550	19.7%	8,389	18.9%
Meat Alternative.............	2,283	15.2%	2,026	13.3%	1,899	12.7%	2,093	16.2%
Total................................	**15,552**	**22.9%**	**14,178**	**21.7%**	**11,449**	**18.1%**	**10,482**	**18.3%**

Note:

(1) See "*Summary Financial and Operating Information — Other Financial Data — EBITDA Reconciliation*" on page 43.

(2) Operating Profit refers to Net Sales less Cost of Goods Sold, and Sales and General Administrative Expenses.

The table below presents certain financial information relating to the Group's financial condition by segment for the periods indicated.

	As of December 31,							
	2020		**2019**		**2018**		**2017**	
	₱ in millions, except percentages							
		% to Total		% to Total		% to Total		% to Total
Segment Assets								
APAC BFB......................	35,151	41.6%	36,079	42.0%	37,277	43.9%	39,169	45.9%
Meat Alternative..............	49,251	58.4%	49,875	58.0%	47,689	56.1%	46,244	54.1%
Total	**84,402**	**100.0%**	**85,954**	**100.0%**	**84,966**	**100.0%**	**85,413**	**100.0%**
Segment Liabilities								
APAC BFB......................	43,373	75.0%	48,046	76.6%	54,697	88.6%	54,904	88.7%
Meat Alternative..............	14,489	25.0%	14,686	23.4%	7,039	11.4%	6,992	11.3%
Total	**57,862**	**100.0%**	**62,732**	**100.0%**	**61,736**	**100.0%**	**61,896**	**100.0%**
Property, plant and equipment								
APAC BFB......................	16,551	62.1%	14,157	58.7%	12,226	57.7%	13,346	65.5%
Meat Alternative..............	10,086	37.9%	9,964	41.3%	8,968	42.3%	7,045	34.5%
Total	**26,637**	**100.0%**	**24,121**	**100.0%**	**21,194**	**100.0%**	**20,391**	**100.0%**
Depreciation and Amortization								
APAC BFB......................	1,642	71.3%	1,585	77.2%	1,467	77.9%	1,339	78.4%
Meat Alternative..............	661	28.7%	468	22.8%	416	22.1%	368	21.6%
Total	**2,303**	**100.0%**	**2,053**	**100.0%**	**1,883**	**100.0%**	**1,707**	**100.0%**

RESULTS OF OPERATIONS

For each of the years ended December 31, 2020, 2019 and 2018, the discussions on each of the following line items – (i) net sales, (ii) cost of goods sold, (iii) gross profit and (iv) selling, general and administrative expenses – include a discussion for each business segment of the Group, namely (i) APAC BFB Business and (ii) Meat Alternative Business.

MNC entity in the Philippines or the Company accounted for 76.2%, 94.9%, 95.0% and 94.1% of APAC BFB segment net sales in 2017, 2018, 2019 and 2020, respectively. Within the Company, below is the split of net sales by category:

	For the year ended December 31,			
	2020	**2019**	**2018**	**2017**
		In %		
Noodles	50.1	46.6	47.9	49.5
Biscuits....................................	30.4	32.9	32.0	32.7
Others......................................	19.5	20.5	20.1	17.8
Total.......................................	100.0	**100.0**	**100.0**	**100.0**

Year Ended December 31, 2020 compared to year ended December 31, 2019

Net Sales

Net sales increased by 3.8% from ₱65,451 million in 2019 to ₱67,946 million in 2020 driven by an increase in the APAC BFB segment which was softened by a decline in the Meat Alternative segment.

APAC BFB

Net sales in the APAC BFB segment increased by 5.3% from ₱50,260 million in 2019 to ₱52,911 million in 2020. This increase was primarily due to higher net sales of noodles, culinary and beverage products by the Company, which underwent double-digit growth in 2020 compared to 2019. This was driven mainly by volume increases and to a lesser extent, pricing. This was offset by negative product mix. Such higher sales of noodles, culinary and beverage products in the Philippines was partially offset by lower net sales of biscuits in 2020 compared to 2019, primarily due to softer demand for this category due to the impact of the COVID-19 pandemic.

Meat Alternative

Net sales in the Meat Alternative segment decreased by 1.0% from ₱15,191 million in 2019 to ₱15,035 million in 2020. In British Pound terms, net sales increased by 2.6% from £230 million in 2019 to £236 million in 2020, primarily due to list price increases, lower promotional discounts and product mix, partially offset by a reduction in sales volume reflecting the impacts of the COVID-19 pandemic.

Cost of Goods Sold

Cost of goods sold increased by 3.1% from ₱40,194 million in 2019 to ₱41,440 million in 2020 primarily due to an increase in volume in both segments. Cost of goods sold as a percentage of net sales slightly decreased by 0.4%, reflecting a decrease in overhead expenses as a result of increased production efficiency in APAC BFB and partially offset by the increase in direct materials and labor in both segments.

The following table summarizes the cost of goods sold in 2020 and 2019:

	For the year ended December 31,											
	2020		2019		2020		2019		2020		2019	
	₱ in millions, except percentages											
	APAC BFB				Meat Alternative				Total			
		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales
Direct Materials	25,299	47.8	23,919	47.6	5,097	33.9	5,207	34.3	30,396	44.7	29,126	44.5
Labor	2,347	4.4	2,018	4.0	917	6.1	909	6.0	3,264	4.8	2,927	4.5
Overhead	4,337	8.2	4,627	9.2	3,443	22.9	3,514	23.1	7,780	11.5	8,141	12.4
Total.........................	**31,983**	**60.4**	**30,564**	**60.8**	**9,457**	**62.9**	**9,630**	**63.4**	**41,440**	**61.0**	**40,194**	**61.4**

APAC BFB

Cost of goods sold in the APAC BFB segment increased by 4.6% from ₱30,564 million in 2019 to ₱31,983 million in 2020, driven by an increase in volume and an increase in prices of direct material costs, primarily palm and coconut oil. These increases were partially offset by lower prices of wheat and flour, tracking world prices for these commodities. Cost of goods sold in this segment, as a percentage of segment net sales, decreased by 0.4%, mainly due to the decrease in overhead costs as a percentage of segment net sales in 2020 resulting from increased production efficiency.

Meat Alternative

Cost of goods sold in the Meat Alternative segment decreased by 1.8% from ₱9,630 million in 2019 to ₱9,457 million in 2020 mainly due to a decrease in raw materials and overhead expense. Cost of goods sold in this segment, as a percentage of segment net sales decreased by 0.5%.

Gross Profit

Gross profit increased by 4.9% from ₱25,257 million in 2019 to ₱26,506 million in 2020, for the reasons discussed above. Gross margin increased by 0.4% from 38.6% in 2019 to 39.0% in 2020.

APAC BFB

Gross profit for the APAC BFB segment increased by 6.3% from ₱19,696 million in 2019 to ₱20,928 million in 2020, for the reasons discussed above. Gross margin increased by 0.4% from 39.2% in 2019 to 39.6% in 2020.

Meat Alternative

Gross profit for the Meat Alternative segment slightly increased by 0.3% from ₱5,561 million in 2019 to ₱5,578 million in 2020, for the reasons discussed above. Gross margin increased by 0.5% from 36.6% in 2019 to 37.1% in 2020.

Sales, General and Administrative Expenses

Sales, general and administrative expenses increased by 2.0% from ₱13,141 million in 2019 to ₱13,409 million in 2020, primarily due to increases in salaries and wages and other benefits partially offset by a reduction in miscellaneous expenses.

APAC BFB

Sales, general and administrative expenses in the APAC BFB segment increased by 2.6% from ₱9,224 million in 2019 to ₱9,462 million in 2020. The increase was mainly due to additional costs in salaries, wages and benefits,

supplies and transportation costs, and donation and contributions to various institutions, partially offset by a reduction in advertising and promotional expenses and outside services due to lower merchandising fees due to the COVID-19 pandemic.

Meat Alternative

Sales, general and administrative expenses for the Meat Alternative segment slightly increased by 0.8% from ₱3,917 million in 2019 to ₱3,947 million in 2020. The slight increase was mainly due to additional costs in salaries, wages and benefits together with fringe benefits in relation to the strengthening of the management team as well as insurance costs, offset by lower miscellaneous expenses.

Impairment Loss

Impairment loss increased by 28.2% from ₱791 million in 2019 to ₱1,014 million in 2020. In 2020, impairments were made mainly in the Meat Alternative segment and related to the introduction of a new forming production line which involved a new production process but resulted in fermentation capacity that was significantly lower than expected, and higher operating costs. The production line is still in use but the carrying value has been adjusted accordingly, and the Group expects that future capacity expansion projects will revert to established processes in the future. In 2019, impairments were made mainly to plant, property and equipment in the APAC BFB segment in the Philippines due to initiatives that were not commercialized.

Share in Net Losses of Associates and Joint Ventures

Share in the net losses of associates and joint ventures decreased by 61% from ₱251 million in 2019 to ₱98 million in 2020, as a result of the decrease in the Group’s ownership of Sarimonde Foods Corporation from 45% to 25% in December 2019, and the consolidation of that entity in September 2020.

Foreign Exchange Gain – Net

Net foreign exchange gain increased by 938.6% from ₱88 million in 2019 to ₱914 million in 2020, primarily due to realization of gain on payment of U.S. dollar and pound sterling denominated loans as a result of the strengthening of the Peso against the U.S. dollar and pound sterling and unrealized foreign exchange gain on convertible notes which was pegged at U.S.$1: ₱52.186 while the Peso closing rate was U.S.$1: ₱48.036.

Gain/(Loss) on Sale of Property, Plant and Equipment

The Group recorded a gain in 2020 of ₱3 million from the sale of used machineries and equipment compared to a loss in 2019 of ₱82 million.

Miscellaneous Income

Miscellaneous income decreased by 30.6% from ₱356 million in 2019 to ₱247 million in 2020 due to reversal of provision for expected credit losses in 2019 partially offset by an increase in service income from Monde Malee, Dutch Mill and Dairy Plus.

Interest Expense

Interest expense decreased by 26.7% from ₱2,438 million in 2019 to ₱1,786 million in 2020. This decrease was primarily the result of repaying a portion of principal on the Group’s borrowings as well as lower interest rates in 2020.

Interest Income

Interest income decreased by 13.5% from ₱304 million in 2019 to ₱263 million in 2020. This decrease was primarily due to settlement of MNA's loan to MNSPL in May 2019. Moreover, there was a reduction in money market placements in 2020 due to prioritization of repayment of loan and acceptances and trust receipts payable to secure favorable exchange rates. Gain on loan modification was more than offset by the decline in interest income from market placements.

Derivative Gain/(Loss)

The Group recorded derivative losses of ₱178 million in 2019 compared to derivative gains of ₱99 million in 2020, primarily due to the termination of CCS and EKO.

Income Before Income Tax

Income before income tax increased by 28.5% from ₱9,124 million in 2019 to ₱11,725 million in 2020.

Income Tax Expense

Income tax expense increased by 47.8% from ₱2,475 million in 2019 to ₱3,659 million in 2020. This increase was primarily due to the higher current income tax expense resulting from the increase in taxable income of the APAC BFB Business which was partially offset by a decline in the taxable income of the Meat Alternative segment. The effective tax rate increased by 4.1% from 27.1% in 2019 to 31.2% in 2020 primarily due to an increase in the deferred tax liability of the Meat Alternative segment where the forward-looking tax rate increased from 17% to 19%. The U.K. government did not proceed with its original proposals to reduce the tax rate. Further, current tax decreased in the Meat Alternative segment due to impairments relating to the BF1 production plant.

Net Income

As a result of the foregoing, net income increased by 21.3% from ₱6,649 million in 2019 to ₱8,066 million in 2020. Net income as percentage of net sales increased by 1.7% from 10.2% in 2019 to 11.9% in 2020.

Year Ended December 31, 2019 compared to year ended December 31, 2018

Net Sales

Net sales increased by 3.3% from ₱63,367 million in 2018 to ₱65,451 million in 2019. Both the APAC BFB and Meat Alternative segments grew due to a combination of list price increases and volume growth.

APAC BFB

Net sales in the APAC BFB segment increased by 3.9% from ₱48,389 million in 2018 to ₱50,260 million in 2019. The increase was primarily due to list price increases in the Philippines and volume growth, partly softened by deconsolidation of Sarimonde following divestment of 20% share. All of noodles, biscuits and beverage sales increased, with biscuits experiencing particularly strong growth. Noodles underwent low single digit growth as impact of price increase was softened by volume decline. Meanwhile, biscuit experienced high single digit growth due to higher volumes driven by increased out-of-home consumption of *M.Y. San Grahams*. Beverage sales saw strong double-digit growth driven by the success in new channel development of *Dutch Mill Delight*.

Meat Alternative

Net sales in the Meat Alternative segment increased by 1.4% from ₱14,978 million in 2018 to ₱15,191 million in 2019. In British Pound terms, net sales before inter segment elimination increased by 4.5% from £220 million in 2018 to £230 million in 2019, driven by volume growth and lower promotional discounts.

Cost of Goods Sold

Cost of goods sold increased by 2.6% from ₱39,182 million in 2018 to ₱40,194 million in 2019 due to an increase in overhead costs. Cost of goods sold as a percentage of net sales decreased by 0.4% from 61.8% in 2018 to 61.4% in 2019, as increased overhead costs (as a percentage of net sales) were offset by decreased direct materials and labor costs.

The following table summarizes cost of goods sold in 2019 and 2018:

	For the year ended December 31,											
	2019		2018		2019		2018		2019		2018	
	₱ in millions, except percentages											
	APAC BFB				Meat Alternative				Total			
		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales
Direct Materials	23,919	47.6	25,020	51.8	5,207	34.3	3,973	26.5	29,126	44.5	28,993	45.7
Labor	2,018	4.0	1,855	3.8	909	6.0	1,420	9.5	2,927	4.5	3,275	5.2
Overhead	4,627	9.2	4,414	9.1	3,514	23.1	2,500	16.7	8,141	12.4	6,914	10.9
Total..........................	**30,564**	**60.8**	**31,289**	**64.7**	**9,630**	**63.4**	**7,893**	**52.7**	**40,194**	**61.4**	**39,182**	**61.8**

APAC BFB

Cost of goods sold in the APAC BFB segment decreased by 2.3% from ₱31,289 million in 2018 to ₱30,564 million in 2019, mainly due to lower direct materials costs, in particular hard wheat and oil-based products such as palm and coconut oil, and shortening liquid, tracking world market prices for these commodities. Cost of goods sold in this segment as percentage of segment net sales decreased by 3.9% from 64.7% in 2018 to 60.8% in 2019, driven by the decline in direct materials prices as described herein.

Meat Alternative

Cost of goods sold in the Meat Alternative segment increased by 22.0% from ₱7,893 million in 2018 to ₱9,630 million in 2019 due to an increase in volume and an increase in raw materials costs, as some production was switched to third-party manufacturers, which were partly offset by lower direct labor costs. Moreover, the increase in overhead was the result of increased utility unit costs, investments in capability and capacity, higher maintenance costs and transport and delivery. Consequently, cost of goods sold as a percentage of segment net sales increased by 10.7% from 52.7% in 2018 to 63.4% in 2019.

Gross Profit

Gross profit increased by 4.4% from ₱24,185 million in 2018 to ₱25,257 million in 2019, for the reasons discussed above. Gross margin increased slightly by 0.4% from 38.2% in 2018 to 38.6% in 2019.

APAC BFB

Gross profit for the APAC BFB segment increased by 15.2% from ₱17,100 million in 2018 to ₱19,696 million in 2019, for the reasons discussed above. Gross margin increased by 3.9% from 35.3% in 2018 to 39.2% in 2019.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 21.5% from ₱7,085 million in 2018 to ₱5,561 million in 2019, for the reasons discussed above. Gross margin decreased by 10.7% from 47.3% in 2018 to 36.6% in 2019.

Sales, General and Administrative Expenses

Sales, general, and administrative expenses decreased by 11.9% from ₱14,917 million in 2018 to ₱13,141 million in 2019, primarily due to lower transportation/delivery, advertising and promotion expenses and bad debts, partially offset by an increase in miscellaneous expense as described in more detail below.

APAC BFB

Sales, general and administrative expenses in the APAC BFB segment slightly decreased by 1.2% from ₱9,336 million in 2018 to ₱9,224 million in 2019, as higher salaries and benefits and outside services were more than offset by reduced transportation/delivery and lower provision for bad debts in 2019 compared to 2018. The decrease in bad debt expense was due to the reversal in expected credit loss provision in 2019, which was booked in miscellaneous income compared to the initial expected credit loss provision from the initial adoption of PFRS 9.

Meat Alternative

Sales, general and administrative expenses in the Meat Alternative segment decreased by 29.8% from ₱5,581 million in 2018 to ₱3,917 million in 2019, primarily due to reduction in transport and delivery, advertising and promotional expense, partially offset by an increase in miscellaneous expenses due to headcount rationalization.

Impairment Loss

Impairment loss decreased by 4.1% from ₱825 million in 2018 to ₱791 million in 2019. In 2019, impairments were made mainly to plant, property and equipment in the Philippines due to initiatives that were not commercialized. In 2018, majority of the impairments for both property, plant and equipment and investments were booked in the Philippines, Thailand and Singapore.

Share in Net Losses of Associates and Joint Ventures

Share in net losses of associates and joint ventures increased by 83.2% from ₱137 million in 2018 to ₱251 million in 2019 mainly due to losses in Sarimonde Foods Corporation. Losses were driven by high customer returns, manufacturing overhead and selling and general administrative expense.

Foreign Exchange Gain – Net

Net foreign exchange gain decreased by 43.9% from ₱157 million in 2018 to ₱88 million in 2019, mainly driven by realized loss on the capital repatriation from Monde Nissin Singapore to the Company.

Gain/(Loss) on Sales of Property, Plant and Equipment

Loss on sale of property, plant and equipment increased by 382.4% from ₱17 million 2018 to ₱82 million in 2019.

Miscellaneous Income

Miscellaneous income decreased by 21.2% from ₱452 million in 2018 to ₱356 million in 2019. The decrease was mainly from the APAC BFB segment, resulted from the discontinuation of the Kellogg's/Pringles distribution arrangement and lower service income from Dutch Mill, partially offset by a reversal of provision for expected credit losses in 2019.

Interest Expense

Interest expense increased by 17.4% from ₱2,077 million in 2018 to ₱2,438 million in 2019. This increase was primarily due to interest payment on additional borrowings, amortization of transaction costs relating to the issuance of convertible notes, and the impact of recognition of interest expense on lease liability due to the implementation of PFRS 16 on January 1, 2019.

Interest Income

Interest income increased by 181.5% from ₱108 million in 2018 to ₱304 million in 2019, primarily due to higher amount of money market placements.

Income before Income Tax

Income before income tax increased by 31.4% from ₱6,946 million in 2018 to ₱9,124 million in 2019. The increase was mainly from the APAC BFB segment, for the reasons discussed above.

Income Tax Expense

Income tax expense increased by 8.3% from ₱2,286 million in 2018 to ₱2,475 million in 2019, mainly due to the increase in taxable income of the APAC BFB segment. Meanwhile, the effective tax rate decreased by 5.8% from 32.9% in 2018 to 27.1% in 2019 due to the higher effective tax rate in the APAC BFB segment in 2018 primarily due to the Company's loss on the sale of shares of MNA which is non-deductible for income tax calculation purposes.

Net Loss after Tax from Discontinued operations

Net loss after tax from discontinued operation was ₱1,932 million in 2018 compared to nil in 2019. The loss incurred in 2018 related primarily to the disposal of MNA following impairments on goodwill.

Net Income after Tax

As a result of the foregoing, net income after tax increased by 143.7% from ₱2,728 million in 2018 to ₱6,649 million in 2019. Net income as a percentage of net sales increased by 5.9% from 4.3% in 2018 to 10.2% in 2019.

Year Ended December 31, 2018 compared to year ended December 31, 2017

Net Sales

Net sales increased by 10.6% from ₱57,293 million in 2017 to ₱63,367 million in 2018 due to growth in both segments.

APAC BFB

Net sales in the APAC BFB segment increased by 9.1% from ₱44,338 million in 2017 to ₱48,389 million in 2018. The increase was primarily driven by volume growth across most product categories and some lift from price increases. In the Philippines, net sales for noodles and biscuits experienced high single digit growth while beverage, culinary and bakery saw double-digit growth. Such growth was partially offset by the discontinuation of distribution of *Kellogg's Pringles.*

Meat Alternative

Net sales in the Meat Alternative segment increased by 15.6% from ₱12,955 million in 2017 to ₱14,978 million in 2018. In British Pound terms, net sales before inter segment elimination increased by 7.3% from £205 million in 2017 to £220 million in 2018 mainly due to volume growth.

Cost of Goods Sold

Cost of goods sold increased by 13.0% from ₱34,661 million in 2017 to ₱39,182 million in 2018 mainly due to an increase in sales volume, higher direct materials prices and overhead costs. Cost of goods sold as a percentage of net sales increased by 1.3% from 60.5% in 2017 to 61.8% in 2018 due to an increase in material prices and overhead costs.

	For the year ended December 31,											
	2018		2017		2018		2017		2018		2017	
	₱ in millions, except percentages											
	APAC BFB				Meat Alternative				Total			
		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales		% of Segment Sales
Direct Materials	25,020	51.8	22,652	51.1	3,973	26.5	2,919	22.5	28,993	45.7	25,571	44.6
Labor	1,855	3.8	1,682	3.8	1,420	9.5	1,438	11.1	3,275	5.2	3,120	5.5
Overhead	4,414	9.1	4,206	9.5	2,500	16.7	1,764	13.6	6,914	10.9	5,970	10.4
Total.......................	**31,289**	**64.7**	**28,540**	**64.4**	**7,893**	**52.7**	**6,121**	**47.2**	**39,182**	**61.8**	**34,661**	**60.5**

APAC BFB

Cost of goods sold in the APAC BFB segment increased by 9.6% from ₱28,540 million in 2017 to ₱31,289 million in 2018. The increase was driven by the increase in sales volume and to a lesser extent, an increase in direct materials prices, principally wheat, which was partially offset by a decline in prices of oil-based materials. Cost of goods sold as a percentage of segment net sales slightly increased by 0.3% from 64.4% in 2017 to 64.7% in 2018.

Meat Alternative

Cost of goods sold in the Meat Alternative segment increased by 28.9% from ₱6,121 million in 2017 to ₱7,893 million in 2018. The increase was driven by an increase in volume, higher direct material costs due to commodity inflation and higher overhead expense. Moreover, foreign currency translation differences resulted in a 9.7% increase in cost of goods sold. Cost of goods sold as a percentage of net sales increased by 5.5% from 47.2% to 52.7%.

Gross Profit

Gross profit increased by 6.9% from ₱22,632 million in 2017 to ₱24,185 million in 2018, for the reasons discussed above. Gross margin decreased by 1.3% from 39.5% in 2017 to 38.2% in 2018.

APAC BFB

Gross profit for the APAC BFB segment increased by 8.2% from ₱15,798 million in 2017 to ₱17,100 million in 2018, for the reasons discussed above. Gross margin for this segment slightly increased by 0.3% from 35.6% in 2017 to 35.3% in 2018.

Meat Alternative

Gross profit for the Meat Alternative segment increased by 3.7% from ₱6,834 million in 2017 to ₱7,085 million in 2018, for the reasons discussed above. Gross margin for this segment decreased by 5.5% from 52.8% in 2017 to 47.3% in 2018.

Sales, General and Administrative Expenses

Sales, general and administrative expenses slightly increased by 1.4% from ₱14,711 million in 2017 to ₱14,917 million in 2018.

APAC BFB

Sales, general and administrative expenses in the APAC BFB segment decreased by 2.8% from ₱9,603 million in 2017 to ₱9,336 million in 2018 due to lower advertising and promotional expenses partly offset by increase in salaries and wages and benefits, outside services and taxes and licenses.

Meat Alternative

Sales, general and administrative expenses in the Meat Alternative segment increased by 9.3% from ₱5,108 million in 2017 to ₱5,581 million in 2018. This was primarily due to an increase in salaries, wages and other benefits, transportation and delivery (as a result of volume growth) and outside services.

Impairment Loss

Impairment loss increased by 31.0% from ₱630 million in 2017 to ₱825 million in 2018. In 2018, majority of the impairments for both property plant and equipment and investments were booked in the Philippines, Thailand and Singapore. In 2017, the majority of the impairments for both property plant and equipment and investments were booked in Thailand and Singapore.

Share in Net Losses of Associates and Joint Ventures

Share in net losses of associates and joint ventures increased 302.9% from ₱34 million in 2017 to ₱137 million in 2018, mainly due to losses in Sarimonde Foods Corporation. Losses were driven by high customer returns, manufacturing overhead and selling and general administrative expense.

Foreign Exchange Gain (Loss) – Net

Net foreign exchange gain recognized in 2018 was ₱157 million, compared to a loss of ₱307 million in 2017, mainly due to significantly higher unrealized loss from revaluation of outstanding pound sterling loan in 2017 compared to 2018.

Gain on Sale of Property, Plant, and Equipment

Gain on sale of property, plant, and equipment was ₱3 million in 2017, compared to a loss of ₱17 million in 2018.

Miscellaneous Income

Miscellaneous income increased by 9.4% from ₱413 million in 2017 to ₱452 million in 2018. The increase was mainly from the APAC BFB segment.

Scrap Sales

Scrap sales in 2017 amounted to ₱446 million presented under "Other Income" and ₱623 million in 2018 presented under "Net Sales" due to the adoption of PFRS 15.

Interest Expense

Interest expense increased by 20.1% from ₱1,729 million in 2017 to ₱2,077 million in 2018, mainly due to higher borrowings in 2018.

Interest Income

Interest income increased by 35.0% from ₱80 million in 2017 to ₱108 million in 2018, mainly due to higher amounts placed in money markets in 2018.

Net Income before Income Tax

Net income before income tax increased by 12.7% from ₱6,162 million in 2017 to ₱6,946 million in 2018, mainly from the APAC BFB segment as described above.

Income Tax Expense

Income tax increased by 43.8% from ₱1,590 million in 2017 to ₱2,286 million in 2018. The increase was mainly due to an increase in taxable income of the APAC BFB segment. The effective tax rate increased by 7.1% from 25.8% in 2017 to 32.9% in 2018 due to a high effective tax rate in the APAC BFB segment in 2018 particularly in the Company. The effective tax rate of the Company was approximately 50% due to the loss on the sale of shares of MNA which is a non-deductible for income tax calculation purposes.

Net Loss after Tax from Discontinued Operations

Net loss after tax from discontinued operations decreased by 41.4% from ₱3,298 million in 2017 to ₱ 1,932 million in 2018. This is due to a gain on the sale of a subsidiary recognized in 2018 which offset the impact of operating losses which includes impairment of goodwill.

Net Income after Tax

As a result of the foregoing, net income after tax increased by 114.1% from ₱1,274 million in 2017 to ₱2,728 million in 2018. Net income as a percentage of net sales increased by 2.1% from 2.2% in 2017 to 4.3% in 2018.

STATEMENT OF FINANCIAL POSITION

Financial condition as of the year ended December 31, 2019 compared to the year ended December 31, 2020

The following is a discussion of the Group's current and noncurrent assets and liabilities as of the year ended December 31, 2019 compared to the year ended December 31, 2020.

Current assets

The Group's current assets decreased by 15.4% from ₱24,335 million as of December 31, 2019 to ₱20,595 million as of December 31, 2020. The decrease was mainly due to lower cash and cash equivalents as discussed below.

	As of December 31,	
	2020	**2019**
	₱ in millions, audited	
Cash and cash equivalents	7,093	10,499
Trade and other receivables	6,457	7,276
Inventories	6,073	5,859
Prepayments and other current assets	972	701

Total	**20,595**	**24,335**

Cash and cash equivalents decreased by 32.4% from ₱10,499 million as of December 31, 2019 to ₱7,093 million as of December 31, 2020. This was mainly due to repayment of acceptances and trust receipts payable and loans to secure favorable exchange rates.

Trade and other receivables decreased by 11.3% from ₱7,276 million as of December 31, 2019 to ₱6,457 million as of December 31, 2020, resulting from better trade credit management in both the APAC BFB and Meat Alternative segments.

Inventories increased by 3.7% from ₱5,859 million as of December 31, 2019 to ₱6,073 million as of December 31, 2020, primarily as a result of higher inventory in the Group's Meat Alternative segment which more than offset the lower inventory in the APAC BFB segment. The Meat Alternative segment was operating at deficient inventory level due to capacity constraint. The higher inventory level was a result of new capacity that came on-stream in 2020.

Prepayments and other current assets increased by 38.7% from ₱701 million as of December 31, 2019 to ₱972 million as of December 31, 2020, primarily as a result of consolidation of Sarimonde Foods Corporation into the Group. In December 2019, the Company reduced its ownership from 45% to 25%. Subsequently, the Company entered into a share purchase agreement in September 2020 increasing its ownership from 25% to 80%. Although the purchase of the additional equity interest was completed in January 2021, the Group consolidated Sarimonde Foods Corporation starting September 2020 since under the Share Purchase Agreement, management control was transferred to the Group on this date. Sarimonde Foods Corporation's prepayment balances are mainly due to excess input VAT accumulated over the years. Sarimonde Foods Corporation had been operating in a net purchase position.

Noncurrent assets

The Group's noncurrent assets increased by 3.6% from ₱61,619 million as of December 31, 2019 to ₱63,807 million as of December 31, 2020. The increase was mainly due to the increase in the Group's property, plant and equipment as discussed below.

	As of December 31,	
	2020	**2019**
	₱ in millions, audited	
Intangible assets	33,600	34,336
Property, plant and equipment	26,637	24,121
Investments in associates and joint ventures	1,024	993
Deferred tax assets – net	843	883
Noncurrent receivables	655	500
Other noncurrent assets	1,048	786
Total	**63,807**	**61,619**

Intangible assets decreased by 2.1% from ₱34,336 million as of December 31, 2019 to ₱ 33,600 million as of December 31, 2020, due to amortization and currency translation adjustments.

Property, plant and equipment increased by 10.4% from ₱24,121 million as of December 31, 2019 to ₱26,637 million as of December 31, 2020, primarily as a result of the construction of a new manufacturing facility in Malvar, Batangas for the Group's APAC BFB segment intended to increase the Group's capabilities in the Meat Alternative segment. The major investment in the Meat Alternative segment relates to the new fermenter in the Belasis facility. The Group also recorded an additional ₱1,262 million right of use asset mainly for the lease of

lot for the Group's Malvar, Batangas facility and amendment of the Group's lease contract for its Santa Rosa facility.

Investment in associates and joint ventures increased by 3.1% from ₱993 million as of December 31, 2019 to ₱1,024 million as of December 31, 2020, primarily as a result of an additional ₱60 million investment in Calaca Harvest Terminal Incorporated in March 2020.

Deferred tax assets decreased by 4.5% from ₱883 million as of December 31, 2019 to ₱843 million as of December 31, 2020.

Noncurrent receivables increased by 31% from ₱500 million as of December 31, 2019 to ₱655 million as of December 31, 2020.

Other noncurrent assets increased by 33.3% from ₱786 million as of December 31, 2019 to ₱1,048 million as of December 31, 2020, primarily as a result of advance payments for the Group's major equipment and construction/improvements.

Current liabilities

The Group's current liabilities decreased by 12.1% from ₱23,846 million as of December 31, 2019 to ₱20,956 million as of December 31, 2020. The decrease was mainly due to repayments of the acceptances and trust receipts payable.

	As of December 31,	
	2020	**2019**
	₱ in millions, audited	
Accounts payable and other current liabilities	10,141	9,016
Acceptances and trust receipts payable	606	2,594
Current portion of loans payable	9,559	11,246
Refund liabilities	280	259
Current portion of lease liabilities	88	31
Income tax payable	282	700
Total	**20,956**	**23,846**

Accounts payable and other current liabilities increased by 12.5% from ₱9,016 million as of December 31, 2019 to ₱10,141 million as of December 31, 2020. This was mainly due to phasing of the Group's trade payables.

Acceptances and trust receipts payable decreased by 76.6% from ₱2,594 million as of December 31, 2019 to ₱ 606 million as of December 31, 2020, primarily as a result of repayment.

Current portion of loans payable decreased by 15.0% from ₱11,246 million as of December 31, 2019 to ₱9,559 million as of December 31, 2020, primarily as a result of the settlement of loans.

Refund liabilities increased by 8.1% from ₱259 million as of December 31, 2019 to ₱280 million as of December 31, 2020. The change was based on the different year-end estimates as required by PFRS 15.

Current portion of lease liabilities increased by 183.9% from ₱31 million as of December 31, 2019 to ₱88 million as of December 31, 2020, primarily as a result of the amendment of the Group's lease contracts with respect to its Santa Rosa facility.

Income tax payable decreased by 59.7% from ₱700 million as of December 31, 2019 to ₱282 million as of December 31, 2020, mainly due to the Meat Alternative segment's operating losses and tax payment phasing.

Noncurrent liabilities

The Group's noncurrent liabilities decreased by 5.1% from ₱38,886 million as of December 31, 2019 to ₱36,906 million as of December 31, 2020, primarily due to Group's partial payments of its loans partially offset by an increase in lease and pension liabilities. Details discussed below.

	As of December 31,	
	2020	**2019**
	₱ in millions, audited	
Loans payable	19,986	22,776
Convertible notes	7,027	7,258
Deferred tax liabilities - net	4,200	3,929
Derivative liability	2,514	2,714
Lease liabilities	2,675	2,013
Pension liability	482	190
Other noncurrent liabilities	22	6
Total	**36,906**	**38,886**

Loans payable decreased by 12.2% from ₱22,776 million as of December 31, 2019 to ₱19,986 million as of December 31, 2020, primarily as a result of repayment of outstanding loans payable.

Convertible notes decreased by 3.2% from ₱7,258 million as of December 31, 2019 to ₱7,027 million as of December 31, 2020, primarily as a result of foreign exchange revaluation from the closing rate of ₱50.744 in 2019 to ₱48.036 in 2020.

Deferred tax liabilities increased by 6.9% from ₱3,929 million as of December 31, 2019 to ₱4,200 million as of December 31, 2020, primarily as a result of the adjustment in the Meat Alternative segment's forward-looking tax rate which changed from 17% to 19%. The U.K. government did not proceed with its original proposals to reduce the tax rate.

Derivative liability decreased by 7.4% from ₱2,714 million as of December 31, 2019 to ₱2,514 million as of December 31, 2020 due to the reversal of the derivative liability in the Group's GBP/PHP cross currency swap.

Lease liabilities increased by 32.9% from ₱2,013 million as of December 31, 2019 to ₱2,675 million as of December 31, 2020, primarily as a result of the Group's expansion in Malvar, Batangas and the amendment of the Group's existing lease contracts with respect to its Santa Rosa facility.

Pension liability increased by 153.7% from ₱190 million as of December 31, 2019 to ₱482 million as of December 31, 2020 based on the actuarial valuation report as of the reporting dates.

Other noncurrent liabilities increased by 266.7% from ₱6 million as of December 31, 2019 to ₱22 million as of December 31, 2020, primarily as a result of the consolidation of Sarimonde Foods Corporation to the Group. In December 2019, the Company reduced its ownership from 45% to 25%. Subsequently, the Company entered in a share purchase agreement in September 2020 increasing its ownership from 25% to 80% which was completed in January 2021.

Equity

The Group's total equity increased by 14.3% from ₱23,222 million as of December 31, 2019 to ₱26,540 million as of December 31, 2020 due to the increase in retained earnings resulting from higher net income.

Financial condition as of the year ended December 31, 2018 compared to the year ended December 31, 2019

The following is a discussion of the Group's current and noncurrent assets and liabilities as of the year ended December 31, 2018 compared to the year ended December 31, 2019.

Current assets

The Group's current assets decreased by 5.5% from ₱25,758 million as of December 31, 2018 to ₱24,335 million as of December 31, 2019. The decrease was mainly due to the decrease in loans receivable which was offset by an increase in cash and cash equivalents.

	As of December 31,	
	2019	**2018**
	₱ in millions, audited	
Cash and cash equivalents	10,499	6,578
Trade and other receivables	7,276	7,242
Inventories	5,859	6,152
Current portion of loans receivable	-	4,937
Prepayments and other current assets	701	849
Total	**24,335**	**25,758**

Cash and cash equivalents increased by 59.6% from ₱6,578 million as of December 31, 2018 to ₱10,499 million as of December 31, 2019, primarily due to higher net cash generated from operating activities which increased by 19.6% from ₱9,975 million in 2018 to ₱11,931 million in 2019. Proceeds from the issuances of convertibles notes were used to pay down long-term debt.

Trade and other receivables slightly increased 0.5% from ₱ 7,242 million as of December 31, 2018 to ₱7,276 million as of December 31, 2019.

Inventories decreased by 4.8% from ₱6,152 million as of December 31, 2018 to ₱5,859 million as of December 31, 2019, primarily as a result of the decrease in finished goods inventory across segments.

Current portion of loans receivable decreased by 100% from ₱4,937 million as of December 31, 2018 to nil as of December 31, 2019 due to full payment of an MNA related-party loan to MNSPL.

Prepayments and other current assets decreased by 17.4% from ₱849 million as of December 31, 2018 to ₱ 701 million as of December 31, 2019, primarily as a result of the decrease in the prepayments in the Group's Meat Alternative segment.

Noncurrent assets

The Group's noncurrent assets increased by 4.1% from ₱ 59,208 million as of December 31, 2018 to ₱61,619 million as of December 31, 2019. The increase was mainly due to the increase in the Group's property, plant and equipment primarily due to the construction of the Group's Porac, Pampanga facility and to increased capacity in the Group's Meat Alternative segment. As a result of the accounting effect of the adoption on PFRS 16, a ₱2,013 million (net of depreciation) right-of-use asset was recorded.

	As of December 31,	
	2019	**2018**
	in ₱ millions (audited)	
Intangible assets	34,336	34,709

Property, plant and equipment	24,121	21,194
Investments in associates and joint ventures	993	1,001
Deferred tax assets – net	883	755
Noncurrent receivables	500	500
Other noncurrent assets	786	1,049
Total	**61,619**	**59,208**

Intangible assets decreased by 1.1% from ₱34,709 million as of December 31, 2018 to ₱34,336 million as of December 31, 2019, due to amortization and currency translation adjustments.

Property, plant and equipment increased by 13.8% from ₱21,194 million as of December 31, 2018 to ₱24,121 million as of December 31, 2019. This was primarily due to the construction of the Group's Porac, Pampanga facility and to increased production capacity in the Group's Meat Alternative segment. Moreover, the increase was driven by the recognition of ₱2,013 million (net of depreciation) right-of-use assets due to the accounting effects of the adoption of PFRS 16.

Investment in associates and joint ventures slightly decreased by 0.8% from ₱1,001 million as of December 31, 2018 to ₱993 million as of December 31, 2019.

Deferred tax assets, net increased by 17% from ₱755 million as of December 31, 2018 to ₱883 million as of December 31, 2019, primarily as a result of deferred tax assets related to impairment loss.

Noncurrent receivables remained the same from ₱500 million as of December 31, 2018 to ₱500 million as of December 31, 2019.

Other noncurrent assets decreased by 25.1% from ₱1,049 million as of December 31, 2018 to ₱786 million as of December 31, 2019, primarily as a result of the decrease in advances to suppliers and contractors due to completion of payment or delivery for foreign currency related Capital Expenditures.

Current liabilities

The Group's current liabilities decreased by 1.6% from ₱24,245 million as of December 31, 2018 to ₱23,846 million as of December 31, 2019. The decrease was mainly due to lower trade and non-trade payables, partially offset by an increase in income tax payable and acceptances and trust receipts payable.

	As of December 31,	
	2019	**2018**
	₱ in millions, audited	
Accounts payable and other current liabilities	9,016	9,648
Acceptances and trust receipts payable	2,594	2,405
Current portion of loans payable	11,246	11,471
Refund liabilities	259	342
Current portion of lease liabilities	31	-
Income tax payable	700	379
Total	**23,846**	**24,245**

Accounts payable and other current liabilities decreased by 6.6% from ₱9,648 million as of December 31, 2018 to ₱9,016 million as of December 31, 2019, primarily as a result of the decrease in nontrade payables and trade payables, which were partially offset by the increase in accrued expenses.

Acceptances and trust receipts payable increased by 7.9% from ₱2,405 million as of December 31, 2018 to ₱2,594 million as of December 31, 2019.

Current portion of loans payable decreased by 2.0% from ₱11,471 million as of December 31, 2018 to ₱11,246 million as of December 31, 2019, primarily as a result of the repayment of loans.

Refund liabilities slightly decreased by 24.3% from ₱342 million as of December 31, 2018 to ₱259 million as of December 31, 2019. The change was based on the different year-end estimates as required by PFRS 15.

Current portion of lease liabilities increased by ₱31 million from nil as of December 31, 2018 to ₱31 million as of December 31, 2019, primarily as a result of the accounting effect of the adoption of PFRS 16.

Income tax payable increased by 84.7% from ₱379 million as of December 31, 2018 to ₱700 million as of December 31, 2019 partly due to higher tax income and income tax payment phasing.

Noncurrent liabilities

The Group's noncurrent liabilities increased by 3.7% from ₱37,491 million as of December 31, 2018 to ₱38,886 million as of December 31, 2019, reflecting the Group's significant payment of its loans. The decrease in loans payable by ₱9,757 million offset increases from (1) the issuance of convertible notes (2) derivative liability and (3) accounting effects of the adoption of PFRS 16 resulting in recognition of lease liabilities of ₱2,013 million.

	As of December 31,	
	2019	**2018**
	₱ in millions, audited	
Loans payable	22,776	32,533
Convertible notes	7,258	-
Deferred tax liabilities - net	3,929	4,005
Derivative liability	2,714	718
Lease liabilities	2,013	-
Pension liability	190	235
Other noncurrent liabilities	6	-
Total	**38,886**	**37,491**

Loans payable and other curent liabilities decreased by 30.0% from ₱32,533 million as of December 31, 2018 to ₱22,776 million as of December 31, 2019, primarily as a result of the repayment of outstanding loan from the proceeds of the convertible notes.

Convertible notes increased by ₱7,258 million from nil as of December 31, 2018 to ₱7,258 million as of December 31, 2019, as a result of the issuance of convertible notes to Arran Investment Pte. Ltd. on February 5, 2019.

Deferred tax liabilities, net decreased by 1.9% from ₱4,005 million as of December 31, 2018 to ₱3,929 million as of December 31, 2019.

Derivative liability increased by 278% from ₱718 million as of December 31, 2018 to ₱2,714 million as of December 31, 2019, primarily due to the mark-to-market valuation of the derivative liability related to the convertible notes and GBP/PHP cross currency swap.

Lease liabilities increased by ₱2,013 million from nil as of December 31, 2018 to ₱2,013 million as of December 31, 2019 due the adoption of PFRS 16.

Pension liability decreased by 19.1% from ₱235 million as of December 31, 2018 to ₱190 million as of December 31, 2019 based on the actuarial valuation report as of the reporting dates.

Other noncurrent liabilities increased by ₱6 million from nil as of December 31, 2018 to ₱6 million as of December 31, 2019.

Financial condition as of the year ended December 31, 2017 compared to the year ended December 31, 2018

The following is a discussion of the Group's current and noncurrent assets and liabilities as of the year ended December 31, 2017 compared to the year ended December 31, 2018.

The discussion of financial condition as of December 31, 2017 below is based on audited financial information.

Current assets

The Group's current assets increased by 17.0% from ₱22,016 million as of December 31, 2017 to ₱25,758 million as of December 31, 2018. The increase was mainly due to the increase in cash and cash equivalents and loans receivable.

	As of December 31,	
	2018	**2017**
	₱ in millions, audited	
Cash and cash equivalents	6,578	5,312
Trade and other receivables	7,242	9,110
Inventories	6,152	7,005
Current portion of loans receivable	4,937	-
Prepayments and other current assets	849	589
Total	**25,758**	**22,016**

Cash and cash equivalents increased by 23.8% from ₱5,312 million as of December 31, 2017 to ₱6,578 million as of December 31, 2018, primarily as a result of cash generated from operations.

Trade and other receivables decreased by 20.5% from ₱9,110 million as of December 31, 2017 to ₱7,242 million as of December 31, 2018, primarily due to the deconsolidation of MNA.

Inventories decreased by 12.2% from ₱7,005 million as of December 31, 2017 to ₱6,152 million as of December 31, 2018, primarily due to the deconsolidation of MNA.

Current portion of loans receivable increased by ₱4,937 million from nil as of December 31, 2017 to ₱4,937 million as of December 31, 2018. The intercompany loan of MNA was classified as related party loan after the deconsolidation on December 18, 2018.

Prepayments and other current assets increased by 44.1% from ₱589 million as of December 31, 2017 to ₱849 million as of December 31, 2018, primarily due to an increase in the prepayment in the Meat Alternative segment's Methwold facility as a result of a fire insurance claim in June 2018.

Noncurrent assets

The Group's noncurrent assets decreased by 6.6% from ₱63,397 million as of December 31, 2017 to ₱59,208 million as of December 31, 2018. The decrease in 2018 was mainly due to the decrease in intangible assets and noncurrent receivables.

	As of December 31,	
	2018	**2017**
	in ₱ millions (audited)	
Intangible assets	34,709	39,319
Property, plant and equipment	21,194	20,391

Investments in associates and joint ventures	1,001	1,098
Deferred tax assets – net	755	560
Noncurrent receivables	500	1,097
Financial assets at FVOCI	-	113
Other noncurrent assets	1,049	819
Total	**59,208**	**63,397**

Intangible assets decreased by 11.7% from ₱39,319 million as of December 31, 2017 to ₱34,709 million as of December 31, 2018 due to impairment loss and deconsolidation of MNA.

Property, plant and equipment increased by 3.9% from ₱20,391 million as of December 31, 2017 to ₱21,194 million as of December 31, 2018, primarily as a result of increasing production capacity in the Group's Meat Alternative segment and additional noodles and biscuit lines in the APAC BFB segment. This was partially offset by the deconsolidation of MNA.

Investment in associates and joint ventures decreased by 8.8% from ₱1,098 million as of December 31, 2017 to ₱1,001 million as of December 31, 2018, due to impairment of investment in NAMZ Pte Ltd.

Deferred tax assets, net increased by 34.8% from ₱560 million as of December 31, 2017 to ₱755 million as of December 31, 2018, primarily due to impairment and refund liabilities and the increase in the expected credit loss provision. This was partially offset by the expiration of the unused net operating losses carry-over of MNTH and the deconsolidation of MNA.

Noncurrent receivables decreased by 54.4% from ₱1,097 million as of December 31, 2017 to ₱500 million as of December 31, 2018, as a result of the settlement of long-term bank deposits and others receivables in Monde M.Y San Corporation.

Financial assets at FVOCI decreased by ₱113 million from ₱113 million as of December 31, 2017 to nil as of December 31, 2018, due to fair value adjustment in accordance with PFRS 9.

Other noncurrent assets increased by 28.1% from ₱819 million as of December 31, 2017 to ₱1,049 million as of December 31, 2018, primarily as a result of the increased advances to suppliers and contractors partially offset by the decrease in the deferred input VAT due to amortization.

Current liabilities

The Group's current liabilities decreased by 14.3% from ₱28,282 million as of December 31, 2017 to ₱24,245 million as of December 31, 2018. The decrease in 2018 mainly resulted from repayments of the current portion of loans payable and decrease in trade accounts payable.

	As of December 31,	
	2018	**2017**
	₱ in millions, audited	
Accounts payable and other current liabilities	9,648	11,279
Acceptances and trust receipts payable	2,405	1,994
Current portion of loans payable	11,471	14,694
Refund liabilities	342	-

Income tax payable	379	315
Total	**24,245**	**28,282**

Accounts payable and other curent liabilities decreased by 14.5% from ₱11,279 million as of December 31, 2017 to ₱9,648 million as of December 31, 2018, primarily as a result of a decrease in trade payables and accrued expenses.

Acceptances and trust receipts payable increased by 20.6% from ₱1,994 million as of December 31, 2017 to ₱2,405 million as of December 31, 2018.

Current portion of loans payable decreased by 21.9% from ₱14,694 million as of December 31, 2017 to ₱11,471 million as of December 31, 2018, as a result of the payment of loans through refinancing.

Refund liabilities increased by ₱342 million from nil as of December 31, 2017 to ₱342 million as of December 31, 2018 due to the adoption of PFRS 15.

Income tax payable increased by 20.3% from ₱315 million as of December 31, 2017 to ₱379 million as of December 31, 2018, as a result of higher taxable income and phasing of tax payments.

Noncurrent liabilities

The Group's noncurrent liabilities increased by 11.5% from ₱33,613 million as of December 31, 2017 to ₱37,491 million as of December 31, 2018, reflecting the increases in the long-term borrowings.

	As of December 31,	
	2018	**2017**
	₱ in millions, audited	
Loans payable	32,533	28,663
Deferred tax liabilities - net	4,005	3,996
Derivative liability	718	686
Pension liability	235	257
Other noncurrent liabilities	-	11
Total	**37,491**	**33,613**

Loans payable increased by 13.5% from ₱28,663 million as of December 31, 2017 to ₱32,533 million as of December 31, 2018, primarily as a result of an increase in the outstanding loans of the Company.

Deferred tax liabilities, slightly increased by 0.2% from ₱ 3,996 million as of December 31, 2017 to ₱4,005 million as of December 31, 2018.

Derivative liability increased by 4.7% from ₱686 million as of December 31, 2017 to ₱718 million as of December 31, 2018, due to mark-to-market valuation of the GBP/PHP cross currency swap.

Pension liability decreased by 8.6% from ₱257 million as of December 31, 2017 to ₱235 million as of December 31, 2018, based on the actuarial valuation report of the reporting dates.

Other noncurrent liabilities decreased by 100% from ₱11 million as of December 31, 2017 to nil as of December 31, 2018.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's principal source of liquidity are cash flows from its operations and borrowings. During the years ended December 31, 2018, 2019 and 2020, the Group's cash flows from operations have been sufficient to provide cash for its operations, Capital Expenditures, and dividends requirements. The Group's borrowings in the years ended December 31, 2018 and 2019 have been primarily used to refinance the Group's existing indebtedness. In 2020, the Group did not avail itself of new loans.

The Group's principal requirements for liquidity are for purchases of raw materials and payment of other operating expenses, investments in production equipment, payment of cash dividends, and other working capital requirements.

The cash flows of the Group are primarily from the operations of its APAC BFB Business. The Group expects that its operating cash flow will continue to be sufficient to fund its operating expenses for the foreseeable future. The Group also maintains long- and short-term credit facilities with various financial institutions, which can support any temporary liquidity requirements and/or partially finance any Capital Expenditures that the Group may have in the future.

Cash Flows

The following discussion of the Group's cash flows for 2018, 2019 and 2020 should be read in conjunction with the statements of cash flows and notes included in the Audited Consolidated Financial Statements.

The table below sets forth the principal components of the Group's statements of cash flows for the years indicated.

	For the year ended December 31,		
	2020	**2019**	**2018**
		₱ in millions	
Net cash flows provided by operating activities	11,397	11,931	9,975
Net cash flows from (used in) investing activities	(4,484)	1,178	(4,811)
Net cash flows from used in financing activities	(10,250)	(9,188)	(3,890)
Net increase / (decrease) in cash and cash equivalents	(3,337)	3,921	1,274
Effect of foreign exchange rate changes on cash and cash equivalents	(69)	0	(8)
Cash and cash equivalents at beginning of year	**10,499**	**6,578**	**5,312**
Cash and cash equivalents at end of year	**7,093**	**10,499**	**6,578**

Net cash flow provided by operating activities

Net cash flows provided by operating activities were ₱11,397 million for the year ended December 31, 2020. The Group's income before income tax for this period was ₱11,725 million. Cash generated from operations (after adjusting for, among other things, depreciation and amortization, and working capital changes) was ₱14,912 million. The Group generated cash from interest received of ₱97 million and paid income taxes of ₱3,612 million.

Net cash flows provided by operating activities were ₱11,931 million for the year ended December 31, 2019. The Group's income before income tax for this period was ₱9,124 million. Cash generated from operations (after adjusting for, among other things, depreciation and amortization, and working capital changes) was ₱13,948 million. The Group generated cash from interest received of ₱303 million and paid income taxes of ₱2,320 million.

Net cash flows provided by operating activities were ₱9,975 million for the year ended December 31, 2018. The Group's income before income tax for this period was ₱4,599 million. Cash generated from operations (after adjusting for, among other things, depreciation and amortization and working capital changes) was ₱11,759 million. The Group generated cash from interest received of ₱109 million and paid income taxes of ₱1,893 million.

Net cash flows used in investing activities

The Group's net cash flows used for investing activities were ₱4,484 million for the year ended December 31, 2020. The cash outflow primarily consisted of the Group's payments for Capital Expenditure of ₱3,753 million, investment in associates and joint ventures of ₱248 million and increase in noncurrent receivables P246 million. This was partially offset primarily by the proceeds from the sale of property, plant and equipment of ₱36 million.

The Group's net cash inflows from investing activities were ₱1,178 million for the year ended December 31, 2019. The main cash inflow from the Group's investing activities was the proceeds from loans receivable of ₱4,937 million, which was offset by cash outflows primarily from payments by the Group for Capital Expenditure of ₱3,660 million and investment in associates and joint ventures of ₱372 million.

Net cash used in investing activities were ₱4,811 million for the year ended December 31, 2018. The cash outflows primarily consisted of acquisition of property, plant and equipment of ₱4,521 million and investment in associates of ₱167 million. In addition, the Group's net cash from investing was also reduced by ₱714 million due to deconsolidation of MNA. These were partially offset by the proceeds from sales of property, plant and equipment of ₱244 million and noncurrent receivables of ₱597 million.

Net cash flows used in financing activities

Net cash flows used for financing activities were ₱10,250 million for the year ended December 31, 2020. This amount consisted primarily of the payment of loans of ₱4,336 million and related interest expense of ₱1,477 million, the payment of principal portion of lease liability of ₱855 million, as the Group substantially paid for the rent of the entire lease tenor for the new plant in Malvar, Batangas and realized derivative losses of ₱73 million. The Group paid cash dividends amounting to ₱3,510 million during the period.

Net cash flows used for financing activities were ₱9,187 million for the year ended December 31, 2019. Proceeds from availment of loans of ₱14,454 million and convertible notes of ₱9,123 million were used to finance the Group's loan payments of ₱23,803 million. Moreover, key cash outflows were payment for interest expense of ₱2,361 million, the payment of debt issue costs of ₱467 million, and the payment of principal position of lease liability of ₱240 million. Cash dividends amounting to ₱5,878 million were paid during the period.

Net cash used in financing activities for the year ended December 31, 2018 was ₱3,890 million. Proceeds from the availment of loans of ₱4,677 million were used to finance the payment of loans of ₱4,278 million. Other major cash outflows were the payment of interest expense of ₱1,878 million. Cash dividends amounting to ₱2,387 million were paid during the period.

KEY FINANCIAL RATIOS

	For the year ended December 31,		
	2018	**2019**	**2020**
Current ratio	1.06	1.02	0.98
Acid test ratio	0.57	0.75	0.65
Solvency ratio	6.4%	12.6%	16.7%
Debt-to-equity ratio	2.83	2.89	2.29
Asset-to-equity ratio	3.89	3.96	3.34
Interest rate coverage ratio	4.29	4.62	7.42

	For the year ended December 31,		
	2018	2019	2020
Return on equity	9.3%	26.8%	31.3%
Return on assets	2.4%	6.8%	8.6%
Net sales growth	10.6%	3.3%	3.8%
Gross margin	38.2%	38.6%	39.0%
Net profit margin	4.3%	10.2%	11.9%
Net profit after tax (**NPAT**) growth	1.9%	42.7%	21.3%
EBITDA growth	9.2%	23.8%	9.7%
EBITDA margin	18.1%	21.7%	22.9%
Return on invested capital	29.4%	34.2%	33.7%

The manners by which the ratios are computed are as follows:

Financial ratios	**Formula**
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Acid test ratio	$\frac{\text{Cash and cash equivalents + Current receivables}}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Net income attributable to equity holders of the Company + Depreciation and amortization}}{\text{Total liabilities}}$
Debt-to-equity ratio	$\frac{\text{Total liabilities (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Asset-to-equity ratio	$\frac{\text{Total assets (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Interest rate coverage ratio	$\frac{\text{EBIT}}{\text{Interest Expense}}$
Return on equity	$\frac{\text{Net income attributable to equity holders of the Company}}{\text{Equity attributable to equity holders of the Company (average)*}}$
Return on assets	$\frac{\text{Net income attributable to equity holders of the Company}}{\text{Total assets (average)*}}$
Net Sales growth	$\frac{\text{Current period net sales – prior period net sales}}{\text{Prior period net sales}}$
Gross margin	$\frac{\text{Gross profit}}{\text{Net sales}}$
Net profit margin	$\frac{\text{Net income}}{\text{Net sales}}$
Net profit after tax growth	$\frac{\text{Current period NPAT – prior period NPAT}}{\text{Prior Period NPAT}}$
EBITDA Growth	$\frac{\text{Current period EBITDA – prior period EBITDA}}{\text{Prior period EBITDA}}$
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net sales}}$

Financial ratios	Formula
Return on Invested Capital	$\dfrac{\text{EBIT – income tax expense}}{\text{Working capital + property. plant and equipment}}$

Note:

* (average) means average of the amounts from the beginning and end of the same period.

FINANCIAL LIABILITIES

The following table summarizes the Group's financial liabilities as of December 31, 2020:

	₱ in millions					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Accounts payable and other current liabilities	4,694	4,987	59	–	–	9,740
Loans payable *	–	518	9,840	21,228	–	31,586
Acceptance and trust receipts payable	–	–	606	–	–	606
Convertible note *	–	–	603	7,818	–	8,421
Lease liabilities *	–	36	152	1,124	7,599	8,911
	4,694	5,541	11,260	30,170	7,599	59,264

* Includes principal amount and interest expense.

Capital Expenditures

The Group's Capital Expenditures were primarily attributable to positioning the Group's APAC BFB Business and Meat Alternative Business to develop new business, expand the Group's production capability, and improve operational efficiencies. The Group invested in the construction of a new manufacturing plant and research and development facility, new production lines and machineries. Other Capital Expenditures pertain to repairs and maintenance for the existing production facilities of the Group.

The table below sets out the Capital Expenditures in 2018, 2019 and 2020 of the Group's APAC BFB Business and Meat Alternative Business.

	For the year ended December 31,		
	2020	2019	2018
	₱ in millions,		
APAC BFB	1,969	2,138	2,143
Meat Alternative	1,784	1,522	2,378
Total	3,753	3,660	4,521

The Group's major Capital Expenditure in its APAC BFB segment was primarily for the construction of new manufacturing and R&D facility, new production lines to improve production capabilities and improve operational efficiencies. The details below set out the major Capital Expenditures from 2018 to 2020.

In 2018, the new manufacturing and research and development facility in Santa Rosa amounting to ₱606 million was completed. The Group also invested ₱762 million for the expansion of its noodles and biscuits lines and the remaining amount mainly on the initiatives to improve operational efficiencies.

In 2019, the Group completed the construction of a new facility in Porac, Pampanga at ₱1,021 million. The construction started in 2017.

In 2020, the Group started the construction of a new facility in Malvar, Batangas costing ₱815 million as of December 31, 2020. Moreover, the Group completed the construction of a new production line in M.Y San Calamba at ₱705 million. The construction started in 2019.

The Group's major Capital Expenditure in its Meat Alternative segment was mainly to increase production capacity primarily by investing in the fermenting and forming process in its Belasis facility from 2018 to 2020, as well as upgrade of its IT system.

	For the years ended December 31,		
	2021	**2022**	**2023**
APAC BFB	3,710	3,539	3,552
Meat Alternative	4,180	5,252	6,286
Total	7,890	8,791	9,838

The Group expects to invest approximately ₱26,519 million from 2021 to 2023, approximately 80% of which will be used to build new capacity and capability both in the APAC BFB and Meat Alternative segments. Key projects in the APAC BFB segment are the completion of the Malvar, Batangas facility and new healthy noodles line as well as other operational efficiency initiatives. Investment in the Meat Alternative segment will mainly relate to growing capacity and developing new products.

Indebtedness

In the year ended December 31, 2020, the principal source of liquidity of the Group was cash generated from operations.

For each of the years ended December 31, 2017, 2018, 2019 and 2020, the Group met its working capital, Capital Expenditures, dividend payments and investment requirements primarily from cash flows from operating activities, and expects to continue to do so. For details of the long-term debt of the Group, see Note 17 of the Audited Consolidated Financial Statements.

The Group is subject to certain financial covenants under the following financing arrangements:

1. ₱18,700 Million Floating Rate Corporate Notes with Metropolitan Bank & Trust Company

   The Company is required to maintain a debt to equity ratio of not more than 4.0x until the maturity of the facility. The Company is also required to maintain a debt service coverage ratio of more than 1.20x.

2. ₱9,000 Million Floating Rate Corporate Notes with Bank of the Philippine Islands

   The Company is required to maintain a debt to equity ratio of not more than 4.0x. The Company is also required to maintain a minimum debt service coverage ratio of 1.20x.

3. ₱4,550 Million Floating Rate Corporate Notes and ₱7,100 Million Fixed Rate Note with BDO Unibank, Inc.

   The Company is required to maintain a maximum consolidated gross leverage ratio of 6.0x. The Company is also required to maintain a debt service coverage ratio of more than 1.20x.

4. £123 Million Term Loan with a Group of Financial Institutions

   The £123 million term loan facility agreement was entered into by Marlow Foods Limited. Marlow Foods Limited is required to maintain a gross leverage ratio of not more than 3.5x and a consolidated gross leverage ratio of not more than 6.0x. Marlow Foods Limited is also required to maintain an interest coverage ratio of not less than 4.0x.

Failure to comply with finanicial covenants could constitute an event of default, if irremediable or remediable but not remedied during the applicable grace period. Upon the occurrence of an event of default, lenders may terminate the commitment, accelerate debt repayment, immediately apply set-off against any of the borrowers' assets held by the lenders in deposit or take other necessary and proper actions to protect their interests.

For details of the long-term debt of the Group, see Note 17 of the Audited Consolidated Financial Statements.

Off-Balance Sheet Arrangements

As of December 31, 2020, the Group did not have any material off-balance sheet arrangements or obligations that were likely to have a current or future effect on the Group's financial condition, revenues or expenses, results of operations, liquidity, Capital Expenditures or capital resources.

Quantitative and Qualitative Disclosure of Market Risk

The Group's APAC BFB Business and Meat Alternative Business are exposed to various types of market risks in the ordinary course of business, including foreign currency risk, commodity price risk, interest rate risk, liquidity risk and credit risk.

Foreign Currency Risk

The Group operates internationally and is exposed to foreign currency risk arising from currency fluctuations in respect of business transactions denominated in foreign currencies. To manage foreign currency risks, the Group enters into derivative transactions including currency swaps and currency options. For more information regarding the Group's foreign currency rate risk exposure and related derivative instruments, see Note 26 to the Audited Consolidated Financial Statements. See "*Risk Factors — Risks relating to the Group and its Business in General — Fluctuations in the exchange rates among the Peso, the Sterling and other currencies could materially and adversely affect the Group's financial condition and results of operations*" on page 65.

Commodity Price Risk

The Group is exposed to price volatility arising from the utilization of certain commodities as raw materials, packaging materials and fuel in its production processes. To minimize the Group's risk of potential losses due to volatility of international crude and product prices, the Group enters into annual contracts for certain raw materials such as flour and long-term contracts for packaging materials. In the past, the Group utilized derivative instruments to mitigate the price movement of certain commodities.

Interest Rate Risk

The Group is exposed to interest rate risk arising from its long-term debt obligations with floating interest rates. The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowings. For more information regarding the Group's interest rate risk exposure, see Note 26 to the Audited Consolidated Financial Statements.

Liquidity Risk

The Group is exposed to the risk that it will be unable to meet its payment obligations when they fall due. The Group manages its liquidity risk by monitoring and maintaining a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding and mitigate the effects of fluctuations in cash flows. For more information regarding the Group's liquidity risk exposure, see Note 26 to the Audited Consolidated Financial Statements.

Credit Risk

The Group is exposed to the risk that a counterparty may not be able to meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating (primarily trade receivables) and financing activities. The Group manages its credit risk by monitoring receivables from each customer. For more information regarding the Group's credit risk exposure, see Note 26 to the Audited Consolidated Financial Statements.

BUSINESS

Market share data in this section from Nielsen differs from market share data in the Industry Overview from Euromonitor. Prospective investors should refer to market share data in both sections. See "Basis for Certain Market Data" on page viii.

GROUP OVERVIEW

The Group is among the frontrunners in the food manufacturing industry in the Philippines with a portfolio of various iconic and well-recognized brands. The Group's two core businesses are the Asia-Pacific Branded Food and Beverage Business (**APAC BFB Business**) and the meat alternative business (**Meat Alternative Business**), which includes the production, marketing and sales of the *Quorn* and *Cauldron* meat alternatives brands. The APAC BFB Business comprises three product groups: (i) instant noodles; (ii) biscuits; and (iii) other products (such as beverages, baked goods and culinary aids). According to Nielsen, in 2020, the APAC BFB Business ranked first in retail sales value in the Philippines in instant noodles and biscuits, as well as oyster sauce and yogurt drinks, sub-categories of the Others product group. In 2020, the Group's instant noodles, biscuits, yogurt drinks and oyster sauce constituted 68.0%, 30.5%, 73.2% and 56.0% of retail sales market share in the Philippines, respectively, according to Nielsen. Flagship brands contributing to the APAC BFB Business' market-leading position include: *Lucky Me!* for instant noodles; *SkyFlakes*, *Fita*, *Nissin* and *M.Y. San Grahams* for biscuits; *Mama Sita's* for culinary aids; and *Dutch Mill* for yogurt drinks. Quorn Foods is the market leader in the meat alternatives market in the U.K. with *Quorn* and *Cauldron* being the No.1 and No.3 brands with 28% and 5% grocery retail market share by value in 2020, respectively, as set out in the OC&C report.

The Group operates with an aspiration to improve the well-being of people and the planet, and create sustainable solutions for food security. These values are reflected in its product innovations and various aspects of its operations that create value to society and contribute to sustainable development. For example, to promote well-being, the Group made an unprecedented move to offer noodles with no artificial preservatives added in *Lucky Me!* wet pouch and cups. It also made an investment on the development and implementation of the first high-speed airflow technology in one of its *Lucky Me!* product lines to reduce the palm oil content. In 2015, MNC acquired Quorn Foods, which operates the Meat Alternative Business with sustainability at its heart. In 2019, MNC also invested in NAMZ Pte. Ltd., a food science company in Singapore that dedicates its work towards creating healthier planet and people. Other initiatives have been implemented by the Group to utilize resources efficiently, move towards zero-waste-to-nature operations and transit to low-carbon economy. In addition, the Group believes that its Meat Alternative Business represents a breakthrough innovation with the mycoprotein technology serving as a sustainable source of protein. According to a report by Carbon Trust (2018), the production of mycoprotein-based *Quorn Mince* results in only 7%, 11% and 8% of beef's carbon, land and water footprint, respectively. Similarly, the production of mycoprotein-based *Quorn Pieces* results in only 29%, 36% and 34% of chicken's carbon, land and water footprint, respectively.

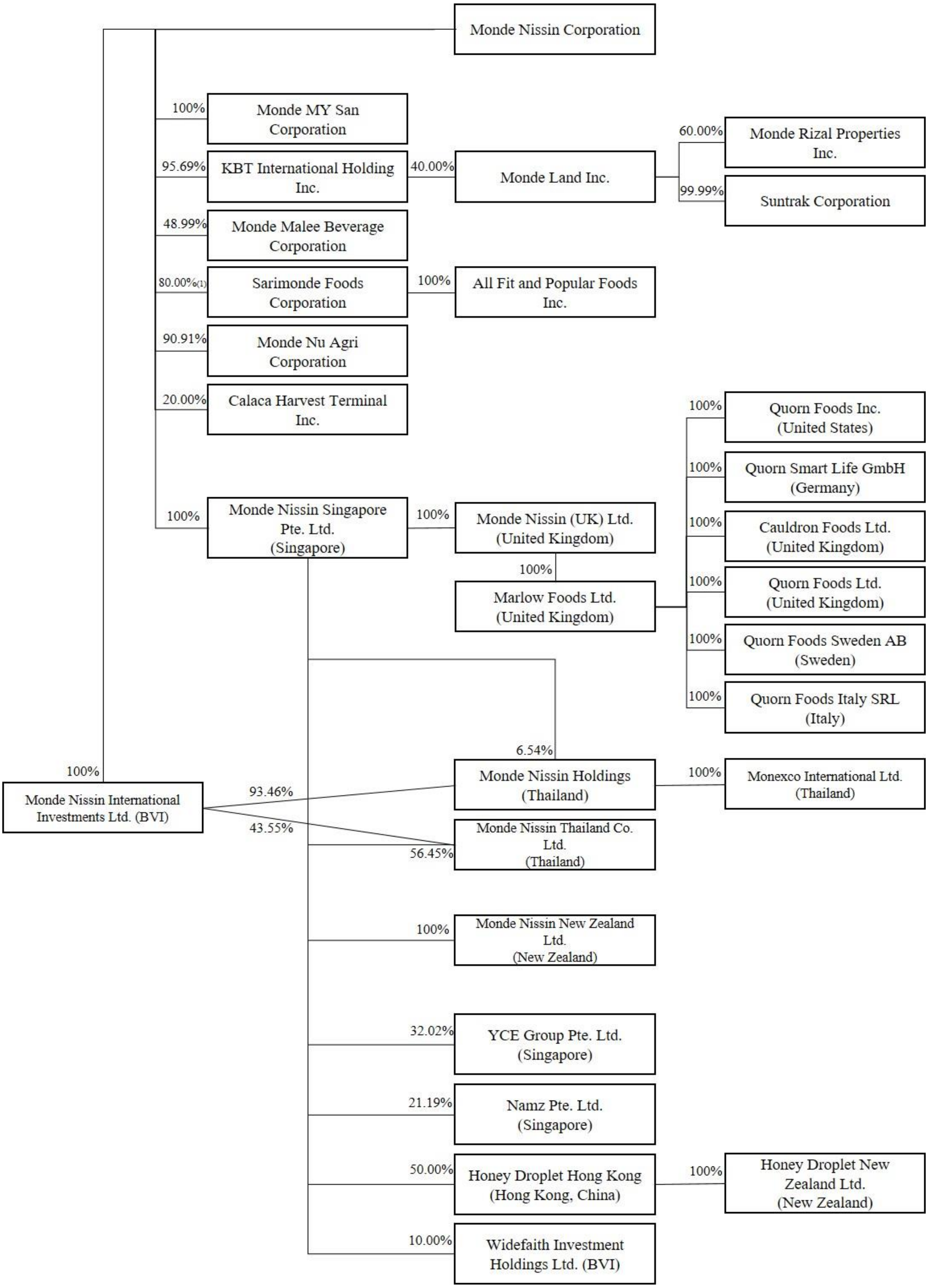
The Group operates the APAC BFB Business through MNC, its wholly-owned or majority-owned subsidiaries, joint ventures and established partnerships with other renowned FMCG players. The Group operates its Meat Alternative Business through Quorn Foods under the *Quorn* and *Cauldron* brands. For the year ended December 31, 2020, the APAC BFB Business generated ₱52,911 million of net sales compared to the Group's total net sales. Net sales of the APAC BFB Business mainly came from MNC's operation in the Philippines which accounted for 94.9%, 95.0% and 94.1% of the APAC BFB Business' total net sales for the years ended December 31, 2018, 2019 and 2020, respectively. The Meat Alternative Business generated net sales mainly from the U.K. and Europe. Net sales from the U.K. amounted to 73.9%, 75.0% and 76.2% of the Meat Alternative Business' total net sales for the years ended December 31, 2018, 2019 and 2020, respectively. Net sales from Europe amounted to 14.4%, 15.7% and 11.9% of the Meat Alternative Business' total net sales for each of the same years, respectively.

For each of the years ended December 31, 2018, 2019 and 2020, the Group's net sales amounted to ₱63.4 billion, ₱65.5 billion and ₱67.9 billion (U.S.$1.4 billion), total comprehensive income amounted to ₱2.4 billion, ₱5.9 billion and ₱6.7 billion (U.S.$135.6 million) and consolidated EBITDA amounted to ₱11.4 billion, ₱14.2 billion and ₱15.6 billion (U.S.$313.4 million). For the same periods, the APAC BFB Business contributed 76.4%, 76.8%

and 77.9%, respectively, to the Group's net sales while the Meat Alternative Business contributed 23.6%, 23.2% and 22.1% in each of the same years. For the years ended December 31, 2018, 2019 and 2020, the APAC BFB Business contributed 78.7%, 86.7% and 95.0%, respectively, to the Group's net income before income tax while the Meat Alternative Business contributed 21.3%, 13.3% and 5.0% in each of the same years. For the years ended December 31, 2018, 2019 and 2020, the APAC BFB Business contributed 83.4%, 85.7% and 85.3%, respectively, to the Group's EBITDA while the Meat Alternative Business contributed 16.6%, 14.3% and 14.7% in each of the same years.

GROUP STRUCTURE AND SUBSIDIARIES

The Group's operating and ownership structure as of the date of this Prospectus is set out in the chart below.



(1) *The remaining 20% interest is held by MNSG Holdings Pte. Ltd under a Deed of Sale between the Company and MNSG Holdings Pte. Ltd. dated December 20, 2019. By virtue of Deeds of Sale of Shares dated January 11, 2021 and January 18, 2021, MNC became the beneficial owner of an additional 8,125,975 and 5,518,337 common shares, respectively, representing 55% of the total*

issued and outstanding common shares of Sarimonde Foods Corporation. Issuance of the Certificate Authorizing Registration from the Philippine Bureau of Internal Revenue is pending for the registration of the transfer of the shares.

RECENT DEVELOPMENTS

The following discussion is based, among others, on the Company's draft management financial information available as of the date of this Prospectus, which is still incomplete and subject to change, and has not been audited or reviewed. Prospective investors are cautioned to read the following discussion together with the other information in this prospectus including, among others, the sections "Forward-Looking Statements" on page x, "Risk Factors" on page 51 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 140.

With respect to the Group's performance in the first quarter of 2021, the Company expects consolidated revenues to decrease compared to the same period last year, when economic activity had yet to be fully impacted by the COVID-19 pandemic and pandemic-related measures. Revenues from the Group's APAC BFB Business for the first quarter of 2021 are expected to be slightly lower compared to the same period last year due to slightly lower sales volumes resulting from a general decline in consumer purchasing power. The Company expects a moderate decline in revenues from the Group's Meat Alternative Business reflecting a modest increase in retail sales being more than offset by lower sales to foodservice industry customers as a result of continued pandemic-related measures. On a consolidated basis, gross profit for the first quarter of 2021 is expected to marginally decrease compared to the same period last year.

Sales, general and administrative expenses are trending higher for the first quarter of 2021 compared to the same period in 2020, primarily as a result of higher spending in the Meat Alternative segment for consumer marketing to increase brand awareness and additional investments to increase organizational capability, which are in line with the Company's growth strategy for this segment.

Currency movements are expected to result in foreign exchange losses for the first quarter of 2021 compared to gains in the first quarter of last year. In addition, the Company recognized a gain on the unwinding of a GBP-PHP cross currency swap in the first quarter of last year which will not recur this year.

As a result of these trends, net profit is expected to be lower in the first quarter of 2021 compared to the same period last year. However, the Group's longer term outlook remains substantially unchanged, although it continues to be subject to significant uncertainties caused by the COVID-19 pandemic and pandemic-related measures, the pace of vaccine rollout in its major markets as well as other factors and risks discussed elsewhere in this Prospectus.

COMPETITIVE STRENGTHS

The Group believes its principal competitive strengths include the following:

Leading positions across multiple branded high growth food and beverage segments, with a dominant position in the instant noodle market and number one position in the biscuit market in the Philippines

The Group believes it is well positioned to further pursue growth opportunities presented by the resilient Philippine market that features favorable demographics and consumption patterns including a young population, increased domestic household consumption (resulting from, among others, an increase in disposable income) and urbanization. In addition, the favorable macroeconomic growth in the Philippines has been characterized by a growing gross domestic product and an increasing domestic income per capita. The Group operates, and is strategically positioned, in the large and high growth product segments of instant noodles and biscuits in the Philippines. According to Nielsen, the instant noodles market reached a value of ₱34.9 billion in 2020. Increasing disposable income and food expenditure, growing urbanization, busy lifestyles and greater access to product categories resulted in an increased preference for affordable, quick and tasty meals and consumption per capita of instant noodles.

The Group has well-established leading market positions across multiple branded food and beverage segments in the Philippines. According to Nielsen, in 2020, the Group dominated in the Philippine instant noodles segment and had a market share of 68% in terms of retail sales value. In the biscuits segment where the Group had seven brands as of December 31, 2020, the Group ranked first overall, including in the crackers and cookies product groups and had a market share of 30.5% in terms of retail sales value in the Philippines in 2020 according to Nielsen.

Virtually all of the Group's consumer business is branded and comprises well-recognized and diversified household brands. For over 40 years, the Group has built and managed a market-leading portfolio of seven flagship brands as of December 31, 2020 including *Lucky Me!*, *SkyFlakes*, *Fita*, *M.Y. San Grahams, Nissin, Mama Sita's* and *Dutch Mill*. *Lucky Me!* has grown into an iconic brand consumed by 98% of Filipino households in 2020 and continues to be the most chosen consumer brand in terms of consumer reach points in the Philippines according to Kantar, the fifth consecutive year that *Lucky Me!* has secured the top position. The Group believes it has strong brand awareness and equity across its portfolio.

The table below sets out the Group's key brands under its product groups, associated types of products offered in the Philippine market and Philippine market share information in retail sales value for 2020:

Product Group and Key Brands	**Market Share in Retail Sales Value and Rank**
Instant Noodles	
	68% (1st)
Biscuits	30.5% (1st)
Crackers	
	56.9% (1st)
Sandwiches	
	14.4% (3rd)
Cookies	
	21.3% (1st)
Wafer	
	17.5% (2nd)
Others	
Oyster sauce	

	Mama Sita's	56% (1st)
Yogurt drinks	Dutch Mill	73.2% (1st)
Cultured milk	Delight	27% (2nd)

The Group’s brands and products also received numerous awards and recognition for market performance including the Most Purchased Brand in total Philippines (first) and Best-Selling Brand in total Philippines (second) awards for the *Lucky Me!* brand at the 2020 Nielsen Sinag Awards. In addition, the Group believes its successful track record of introducing new products to meet evolving consumer tastes and enhance the overall customer experience significantly contributed to the increase of its market share and overall growth.

Quorn Foods is a leading market player with superior technology, high-quality products, and well-defined strategy to deliver long-term success in the highly attractive and fast-growing meat alternatives space

Operating in the highly attractive and fast-growing meat alternatives market expected to be worth up to U.S.$140 billion by 2029

Quorn Foods operates in the highly attractive meat alternatives market. As referenced in the OC&C industry report, in recent years, the meat alternatives market has seen significant consumer interest and growth. The global sales of meat alternatives was estimated to be worth U.S.$8 billion in 2020 and the global meat alternatives market is expected to grow up to U.S.$140 billion by 2029 according to Barclays estimates as explained in the OC&C industry report. In the U.K., the grocery retail category has grown by approximately 23% per annum since 2017 and is estimated to be worth U.S.$0.8 billion in 2020 (see “*Industry Overview — Industry Overview by OC&C* (*Figure 2*)” on page 125). In the U.S., the frozen and refrigerated multi-outlet retail category has grown by approximately 26% per annum since 2017 and is estimated to be worth U.S.$1.3 billion in 2020 (see “*Industry Overview — Industry Overview by OC&C* (*Figure 2*)” on page 125).

Leading market share and brand recognition in the U.K.

Quorn Foods is the market leader in the meat alternatives market in the U.K. with *Quorn* and *Cauldron* being the No.1 and No.3 brands with 28% and 5% retail market share by value in 2020, respectively, as set out in the OC&C industry report (at 11%, Linda McCartney was the No.2 brand in 2020 and is 2.5 times smaller than *Quorn* in terms of grocery retail market share by value). According to IRI, a data analytics and market research company, in 2020, *Quorn* was the No.1 grocery retail brand in the U.K. in the chilled and frozen meat alternatives categories. In March 2020, *Quorn* was also recognized as one of Britain’s Biggest Brands by The Grocer, a U.K. based magazine that covers the whole FMCG sector. A study conducted in January 2021 by YouGov, a British international market research and data analytics firm, revealed that *Quorn* is widely recognized by consumers, with 94% of consumers recognizing *Quorn*, making it the brand with the highest prompted awareness in the category in the U.K. market.

The scale of Quorn Foods’ brands has enabled it to enter into a multi-year global partnership with Liverpool Football Club to become the club’s Official Sustainable Protein Partner, helping the club to contribute to greater food sustainability as part of its Reds Go Green initiative.

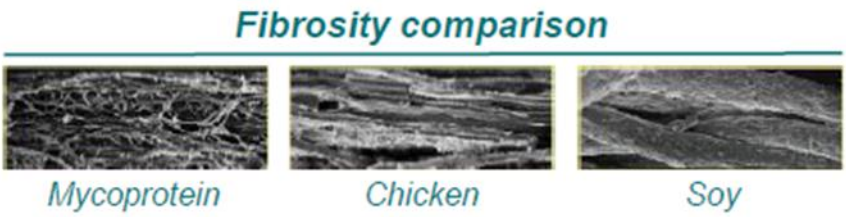
Quorn Foods has demonstrated its strength in the quick service restaurants (**QSR**) channel with successful partnerships with KFC, Greggs, Costa and Pizza Hut in the U.K. It has collaboratively worked with these partners to develop products such as, among others, the *Vegan Sausage Roll* which is a top five food product for Greggs, the *Fillet Vegan Burger* for KFC, the *Vegan Smoky Ham & Cheeze Toastie* for Costa, and the *Vegan Nugget* for Pizza Hut.

Quorn Foods believes it also has a strong presence in foodservice, and its products are served in approximately 70% of all schools (approximately 22,000 out of 32,000 schools) in the U.K. and are available on the menu of 4,500 pubs/bars as of December 31, 2020 based on Quorn Foods' internal brand tracking.

Superior meat alternative ingredient

Mycoprotein, the primary ingredient in all *Quorn* brand products, is a highly sustainable, whole food, fermented protein technology which has well-documented health benefits and a closer texture to meat than other plant-based proteins.

o **Superior texture and great taste:** The building block of mycoprotein is *fusarium venenatum*, a member of the fungi family, comprised of tiny fibers (mycelium) that are naturally rich in intrinsic protein and dietary fiber. Quorn Foods believes the natural fibrosity of mycoprotein gives it the ability to replicate the texture that is closer to meat than any other plant-based protein. A recent article in a culinary magazine featured *Quorn*'s *Meatless* "Chicken" *Patties* and *Quorn*'s *Meatless Nuggets* as their test kitchen favorite and stated that the texture of *Quorn's Meatless* "Chicken" *Patties* is "appetizingly similar to chicken." An article from The Daily Meal (January 2020) highlights the launch of "Unreal Wings" which are made with *Quorn* and quotes "if we hadn't known ahead of time that these weren't made from real chicken, we probably wouldn't have been able to tell the difference."



According to an internal study prepared by Quorn Foods (the underlying test for which was conducted in January 2021 by an external party on behalf of Quorn Foods), *Quorn Crispy Nuggets* is the leading coated chicken-style product in the U.K. and holds a 75:25 preference over the next-best branded offering, in in-home product placement taste tests.

- **Better for you:** Mycoprotein is a whole food that delivers exceptional nutrition. Mycoprotein is high in fiber, low in saturated fat and contains no cholesterol[195], and contains all nine essential amino acids[196]. In clinical studies, mycoprotein has been shown to build muscle faster than milk protein[197], can lower cholesterol[198] and is a rich source of a unique fiber that can play an important role in maintaining gut health[199]. Diets rich in mycoprotein have been shown to promote satiety and to support regulation of blood glucose.[200] In addition, analysis by the World Economic Forum (2019) has shown that diets rich in mycoprotein could help lower projected population mortality. All of Quorn Foods' mycoprotein-based products are non-GMO and

[195] Denny et al., 2008
[196] Edwards and Cummings, 2010
[197] Monteyne et al., 2020(a) and Monteyne et al., 2020(b)
[198] Coelho et al., 2020 and Denny et al., 2008
[199] Harris et at., 2019 and Colosimo et al., 2020
[200] Bottin et al., 2016

mycoprotein has low allergenicity of approximately 1 per 24.3 million servings, whereas up to 0.3% of adults are allergic to soy.[201]

Based on the Nutri-score, a nutrition label widely used in Europe for categorizing food products by nutritional value, Quorn Foods believes that, in the U.K., more than 70% of its *Quorn* products is graded at the highest score "A." Similarly, in the U.S., Quorn Foods believes that more than 90% of its Quorn retail products is graded "A." Quorn Foods classifies over 80% of its Quorn products sold in the U.K. as a source of fiber and protein.

- **Better for the planet:** According to a report by Carbon Trust (2018), the production of mycoprotein-based *Quorn Mince* results in only 7%, 11% and 8% of beef's carbon, land and water footprint, respectively. Similarly, the production of mycoprotein-based *Quorn Pieces* results in only 29%, 36% and 34% of chicken's carbon, land and water footprint, respectively.

Significant barrier to entry and first mover advantage from over 30 years of proprietary technology and accumulated know-how

- **A different way to produce protein**: The big idea behind *Quorn* is that there is a more efficient and environment-friendly way to produce protein, a protein source with inherent health benefits. See " — *Superior meat alternative ingredient* — *Better for you*" on page 184. Quorn Foods takes a naturally occurring fungus (*fusarium venenatum*) and uses the age-old process of fermenting. It is so efficient that just a few milligrams of pure culture can produce over 1,500 tons of mycoprotein.

- **Innovative air lift technology**: Quorn Foods uses an innovative air lift fermentation technology that is designed to produce a continuous-flow culture, using a process that ensures a consistent output[202] and yields a productivity approximately five-fold greater than what could be achieved by a series of separate batch fermentations[203]. Quorn Foods' process involves the use of 50-meter tall fermenters, which have been designed to have no internal moving parts, which helps maintain the vessels' sterility and is essential to delivering product texture. Within these fermenters, *fusarium venenatum* is grown under strictly defined conditions, with temperature, pH, nutrient concentration, dissolved oxygen and growth rate all maintained constant.[204]

Today, Quorn Foods is the largest provider of mycoprotein, and has adapted and developed this technology over the past 35 years through R&D and operational experience in a way that it believes would be extremely challenging for a new entrant to replicate.

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[201] Finnigan et al., 2019 and Katz et al., 2004
[202] Pirt, 1975 (as cited in Finnigan et al., 2016)
[203] Sadler, 1988 (as cited in Finnigan et al., 2016)
[204] Trinci, 1991 (as cited in Finnigan et al., 2016)

A proven business model with broad innovative product offering

Quorn Foods has a proven track record of delivering profit.

Quorn Foods has developed a versatile and extensive portfolio offering of vegan and vegetarian products that are poultry, beef, pork and fish alternatives. Quorn Foods' products are suitable for different meal occasions and needs, such as breakfast, lunch, dinner and snacking. Examples of products that Quorn Foods sells are *Escalopes*, *Mince* and *Smoky Ham Free Slices*. As set out in the OC&C industry report, Quorn Foods has three times more products in the U.K. than the next nearest competition (see "*Industry Overview — Industry Overview by OC&C* (*Figure 14*)" on page 136). Globally Quorn Foods sells 100+ SKUs which it believes to be one of the widest and diverse product offerings in the meat alternatives market.

In addition to the U.K., Quorn Foods has market presence in the U.S., with over 150,000 points of distribution as of December 31, 2020 and a presence in major grocery retail outlets. It is also active in Europe, Southeast Asia, Australia and New Zealand as well as across various retail and foodservice channels.

Established record of innovation, successfully anticipating and catering for emerging consumer needs and preferences with their increasing concern for individual health and food security

The Group has an established record of introducing new products that are innovative and attentive to consumer preferences, and developing technology, processes and tools to further enhance the taste, health benefits and sustainability of its products.

Noodle products

The launch by the Group of *Lucky Me! Pancit Canton* in 1991 – the first dry stir-fried pouched noodles in the Philippine market – created a brand new category from nothing and worth over ₱10 billion in 2020. In the late 1990s, the Group joined forces with the Philippine Department of Health to help alleviate malnutrition by fortifying its noodles with essential vitamins and minerals. The Group was the first to offer noodles with no artificial preservatives added in the Philippines in its *Lucky Me!* wet pouch and cups products and the first to launch locally flavored variants such as *La Paz Batchoy* and *Bulalo* that captured the authentic tastes of classic Filipino favorites. The ability of the Group to localize products through its established knowledge and unique

understanding of Filipino consumers' tastes and preferences has enabled the Group to gain market leadership over competitors, even multinational companies.

The Group has pioneered a number of customer-centric innovations to its noodle products. The recent key transformations that the Group has introduced include packet upsize (from 60 to 80 grams in Luzon), change in noodles shape (from square to round) and width (flat and thicker in 2016, re-launch of thinner noodles for *Lucky Me! Pancit Canton Kalamansi* in 2020) and flavor improvement and enhancement (for instance, *Lucky Me! Beef na Beef*, *Lucky Me! Pancit Canton Kalamansi* and *Lucky Me! Pancit Canton Extra Hot Chili*) to address rapidly changing consumer preferences and demand. Further, the Company employed new technology to improve noodle texture and produce better quality noodle products. These product innovations enabled the Group to solidify its dominant market leadership and maintain pricing power.

The Group also implemented packaging improvements such as the transition of the *Lucky Me! Go Cup* container from a composite material made of paper and plastic to a polypropylene cup with paper label to make the cup noodle easier to hold and to facilitate recycling (by easily separating the label from the cup). In addition, in late 2020, the Group installed the first high-speed airflow technology in one noodle line to substantially reduce the oil content while maintaining taste and consumer enjoyment.

The Group is quickly able to bring new products to the market to capitalize on any new consumer trends, thereby keeping its brands always fresh and relevant. The Group released new formats such as the *Lucky Me! Pancit Canton Go Cup* to provide consumers with a tasty and convenient option that can be enjoyed on the go, and new and exciting flavors such as *Spicy La Paz Batchoy*, *Spicy Bulalo* and *Hot Cheese Ramyun* to provide consumers with a product upgrade using on-trend flavors. The Group also relaunched its instant pasta line with two variants, *Lucky Me! Baked Mac Style* and *Mac & Cheese* for the mass premium segment to offer consumers new, easy meal options in addition to the Group's instant noodle products.

Biscuits, baked goods and fresh bread products

The Group has a track record of introducing innovative, new uses for its existing products thereby significantly growing demand for the product and increasing the Group's sales. For example, *M.Y. San Grahams*, an ingredient in homemade desserts, is now also used by small businesses as a key ingredient because of its versatility, resulting in new cake and other dessert products. This also broadened the "mompreneur" segment who uses *M.Y. San Grahams* in high-quality and delicious desserts for different occasions and transforms their customized creations into a dessert business.

The Group also has a unique understanding of consumers' expectations and preferences in relation to its other baked goods and fresh bread products.

The traditional *mamon* (Filipino-style sponge cake) sold by leading bakeshops in 2011 were relatively expensive (selling above ₱20 per piece) and had a very short shelf life, making pantry loading impossible. Understanding these consumer pain points, in 2011, the Group launched *Monde Mamon* which has a five-month shelf life at ambient storage and was less than half of the competitor price in 2011 (and currently 40% cheaper). These superior product features were achieved through the use of technology to create a very clean manufacturing environment and carefully selected ingredients that allowed *Monde Mamon* to be shelf stable for months. The Group has also introduced new products such as the *Monde Cheese Bar*; new sizes such as *Monde Mini Mamon*, *Nissin Butter Coconut* 25 gram-pack and *Nissin King Size Wafer*; and new flavors such as *Nissin Wafer Double Choco* and *Nissin Bread Stix Garlic Parmesan*, to provide consumers with a selection of new options in terms of product size, flavor and type, expand its portfolio of baked goods and make its products more accessible in terms of price and distribution.

In the fresh bread category, the Group recently launched *Monde Fluffy Bread* and *Monde Milk Bread*. *Monde Fluffy* and *Monde Milk Bread* were developed by the Group's New Product Development team in only three to four months and will be made using largely high-quality flour from the Group's own flour mill. The Group

believes this reflects the agility of its business and its ability to optimize synergies thereby improving cost efficiency.

In-house research and development team

The Group has a dedicated research and product development team in the Philippines. Through collaboration and innovation, the Group works closely with other innovation companies including NAMZ Pte. Ltd., a food science company in Singapore where the Company is a minority shareholder with a 21.2% equity interest as of December 31, 2020.

In the instant noodles category, the Group was the first in the Philippines to launch instant noodles in no-cook bowls in local flavors such as *La Paz Batchoy* and *Bulalo* and constantly develops new flavors such as the Asian line, exemplifying its deep understanding of consumers' love for flavors. In the baked goods category, the Group launched the first packaged sponge cake in the Philippine market and the first premium wafer product filled with chocolate and rice crispies. See "*Business — Research and Development*" on page 210 for a detailed discussion on the Group's product innovations.

Production process and facilities

In 2006, the Group established an automated and streamlined seasoning plant in Thailand. The relocation of the Group's seasoning production from the Philippines to Thailand provided the Group access to a greater variety of spices, improved the quality of its production and reduced costs.

As of December 31, 2020, the Group had two noodle lines at its manufacturing facility in Thailand. The Group intends to install multiple high-speed airflow technology lines for its instant noodle product in Thailand in the next three years. This will be the second high-speed airflow technology noodle line of the Group with the first one located in the Philippines. The Group expects the low cost of power in Thailand to result in net saving from lower oil requirements and increased power usage of the high-speed airflow technology. The Group believes the high-speed airflow technology will enable it to offer tasty, low oil content noodles to consumers who are averse to palm oil.

ESG initiatives

Sustainability, as a core value of the Group, is reflected in its innovations.

In 2008, the Group replaced synthetic antioxidants with tocopherol in its frying oil for instant noodles. Since 2010, the Group has been using green tea extract as a natural antioxidant in frying oil for its instant noodles products. This sets the Group apart from its peers that use artificial or synthetic antioxidants such as butylated hydroxytoluene, butylated hydroxyanisole or tertiary butylhydroquinone which are lower in cost but are believed to be less healthy.

Each facility of the Group in the Philippines has a heat recovery system which recycles steam condensate generated during production. As part of its ESG initiatives, the Group installed solar panels at its main plant site. The Santa Rosa facility has solar panels that, at peak capacity, are able to provide up to 1.3 megawatt of solar power.

In 2019, the Group removed the interior plastic tray of *Monde Mamon* which, similar to other *Monde* baked goods, is packaged to seal in its delicious-tasting and freshly baked goodness. This initiative resulted in approximately 20% reduction in primary packaging. Prior to the onset of the COVID-19 pandemic, the Group prepared to launch a redesigned multi-pack noodle SKU to eliminate individual wrappers, which stood to reduce plastic packaging for these items by approximately 60%. The Group intends to launch this item in the future.

In 2019 and 2020, MNTH redesigned the packaging of biscuit products to use less plastic, leading to improved sustainability and significant cost reduction. In addition, the Group has other ongoing initiatives in Thailand to further reduce plastic packaging and is transitioning to plastic packaging that is 100% recyclable.

For a detailed discussion of the Group's sustainability roadmap, see "*Business — APAC BFB Business — Sustainability*" on page 226 and "*Business — Meat Alternative Business – Quorn Foods — Sustainability*" on page 249.

Quorn

The Group's single largest commitment to healthier food and food security is its ₱41.4 billion (GBP582.2 million) investment in 2015 to acquire 100% of Marlow Foods Limited (**Marlow Foods**) which owns *Quorn*. The investment was made by the Group well ahead of the increased attention and public consciousness regarding meat alternatives. The Group believes traditional protein production is not sustainable and that it could help address food security and human health by increasing the production of *Quorn* to reach a wider consumer base.

Well-invested facilities and agile and innovative supply network to capture growing demand

The APAC BFB Group has modern, strategically located and integrated facilities. As of December 31, 2020, the APAC BFB Group had an extensive network of ten manufacturing sites in the Philippines (including a new manufacturing facility under construction in Malvar, Batangas) and Thailand. Five of the eight manufacturing sites in the Philippines also operate as on-site distribution centers.

The Group believes its consistent innovation in manufacturing enabled it to improve operating efficiencies and generate cost savings. For example, at its flagship Santa Rosa facility, a modern flour production system employing a computerized mixing and blending system pneumatically conveys flour directly to each plant. It also has two units of high capacity ASRS with over 26,000 pallet positions that the Group believes is the largest in the country. Over 50% of the production volume are received without human intervention from palletizer machines through rail-guided vehicles and into single and double-deep stacking locations. The Group believes such innovations enhanced its productivity, increased storage capacity and throughput, and improved responsiveness to its customers.

The Group has a track record in the Philippines of expanding its business by leveraging its operational strength and experience as well as periodically transforming its end-to-end supply network to quickly adapt to, and anticipate, the needs of its customers. Consequently, MNC was able to grow its net sales, lower costs and improve its cash position all at the same time. The table below sets out MNC's customer service level (**CSL**, MNC's internal measure of fill rate to customers), transportation and warehousing cost (**T&W**) and finished goods inventory days (**FG Inventory**, fiscal ending finished goods inventory divided by COGS/day where COGS/day is total COGS for the year divided by 365) for each of the periods indicated.

		2017 (Base)	**2018**	**2019**	**2020**
Sales Growth	Customer Service Level	80+%	90+%	90+%	80+%
Cost	Transportation and Warehousing	5.8%	5.5%	5.1%	4.8%
Cash	Finished Goods Inventory Days	15.1	14.3	13.9	11.6

In 2018, 2019 and 2020, CSL, T&W and FG Inventory all improved (other than CSL in 2020 which was affected by the COVID-19 pandemic), reflecting strong structural gains. Through innovative supply solutions and constant alignment with key stakeholders, MNC was able to expand its reach, implement the best routes/supply plans and maintain an appropriate inventory level, ensuring product freshness.

For instance, in 2018, MNC implemented a win-win solution with its transport providers and select accounts via a mechanism that optimizes the number of trips per month per transport provider and reconstructing the delivery window of some customers which led to a flatter daily demand, reducing peaks and valleys. Internally, target inventory levels were synchronized with manufacturing capabilities to balance cost with agility.

In 2019, MNC streamlined its processes allowing for faster standardization and reapplication, which accelerated gains. Non-performing SKUs and product lines were eliminated while paving the way for existing SKUs to grow and for new launches to have better chances of success. Certain warehouses were closed and new ones were opened that offer better responsiveness at total lower cost in line with evolving network redesign driven by demand shifts.

In addition to its process innovations in the Philippines, the APAC BFB Group established an automated and streamlined seasoning plant in Thailand which offers comparatively lower costs than if seasonings were to be supplied in the Philippines. The ongoing capacity expansion of the Group, together with its existing scalable infrastructure, provide significant competitive advantages for the Group as it captures the growth of demand in the food and beverage categories where it operates.

MNC employs best-in-class tools, processes and standards pertaining to food safety and quality assurance at its manufacturing facilities. The manufacturing plants in Santa Rosa, Cebu and Davao are FSSC 22000 (GFSI) and ISO22000:2005 (Food Safety Management Systems) certified. The remaining manufacturing plants of MNC in the Philippines are FSSC 22000 (Food Safety) certified.

At the early onset of the COVID-19 pandemic, the Group faced the difficult task of ensuring the health and welfare of its employees while ensuring food supply, especially noodles pouches and crackers, which are considered staples during tough times. The Group adapted quickly and both objectives were achieved without compromises.

Recognizing the strength of its brands and a deep understanding of consumer behavior of reverting back to core, MNC pivoted to producing mainly the core SKUs of *Instant Mami*, *Pancit Canton*, *SkyFlakes* and *Fita* which enabled mass production by its suppliers and its plants, and allowed for by pallet/half-pallets shipments to its customers. This decision paved the way for supply assurance from suppliers to customers, while substantially reducing the people on-site via work-from-home and paid leaves for vulnerable employees and those opting to stay with their families. As a result, MNC minimized disruption and increased the production of instant noodle pouches by over 20% during the lockdown period from March to June 2020. The Group learned continually and quickly by benchmarking externally and intensively allowing for the resumption of the rest of the categories sooner.

The Group believes its multiple plants enabled its operations to remain resilient and to have scaled operations in multiple locations during the COVID-19 pandemic. In addition, the ASRS of the Group allowed it to operate safely and maintain sales growth. These were complemented by the ability of the Group to operate efficiently despite having just approximately 50% of its manpower at the Group's facilities.

Extensive, comprehensive and sophisticated distribution network

The Group believes its comprehensive and sophisticated distribution network is crucial to the successful market penetration of its products. In addition, the Group's distributor partners provide a 15-day credit to its reseller customers (supermarkets, groceries and wholesalers) who in turn extend credit to its *sari-sari* store (family-run convenience stores in neighborhoods and villages in the Philippines) customers. The provision by the Group of attractive payment options to its distributors allows distributors to, in turn, provide credit to its reseller customers while interventional programs encourage the Group's *sari-sari* store partners to purchase the Group's products when they are at a leading retailer for onward sale to other *sari-sari* stores. Through the interplay of the Group's different distribution channels, provision of credit to distributors' reseller customers and interventional programs, the Group is able to expand its reach and increase the market penetration of its products. In 2020, the weighted distribution of the Group's products in the instant noodles category was 99% according to Nielsen.

As of December 31, 2020, the Group had long-standing relationships with leading retailers in the Philippines with 18 national and 29 local key accounts and 39 chain stores. As of the same period, the Group also worked with over 30 distributors in 48 provinces and districts. With this network, *Lucky Me!* products are distributed to more than 200,000 outlets, reaching more than one million *sari-sari* stores across the Philippines. In addition, the Group sells its products through its community distribution network comprising alternative distribution platforms

catering to end consumers, including dealers that recruit, train and develop small entrepreneurs, as well as brand ambassadors and brand experts that distribute the Group's products to households and end consumers. The Group employs a cost-plus incentive scheme for its distributors in the traditional trade channel. The Group uses an activity-based convention to determine the operating and capital expenditure budgets corresponding to its distributors. The appropriate discount to be given by the Group to the distributors is determined by how the distributors actually performed as against their respective budgets. Such discount-incentive scheme ensures that the Group's distributors focus on their key role of driving numeric distribution into *sari-sari* stores even in underdeveloped and unprofitable areas. The Group believes this unique incentive scheme demonstrates innovation in its business processes, reflects its business continuity plans and shows the win-win relationship between the Group and its distributors.

By utilizing its extensive distribution network and leveraging its relationships with various retailers and distributors, the Group is able to efficiently and expeditiously supply and distribute its products to its customers as well as access and compete in new markets.

The Group's financial track record shows it has been able to maintain healthy margins with strong scale leverage and operational excellence. To fuel its growth ambitions and support or improve the margins, the Group plans to further accelerate focus in a few areas of cost excellence in the next one to two years, such as commodity price risk management, design-to-value based product/packaging engineering and return on investment-based effectiveness for discretionary spends. The Group aims to execute this in collaboration with partners and suppliers and with the help of digital productivity tools.

Visionary, ambitious and experienced management

The Group has an ambitious and experienced senior management team with many years of local and international experience in the FMCG industry and in other fields. The management team of the Group has successfully managed the Group through various business cycles, with an extensive track record of successfully executing business plans and achieving results, as evidenced by the overall growth, strategic expansion and strong business operations of the Group over the years. In addition, the management team of the Group has been at the forefront of sustainability in its products, value chain and innovations even before the sustainability trend gained steam. The Group also benefits from its management team's proprietary knowledge of consumers' tastes and preferences and track record of operational excellence that the Group believes is necessary to successfully lead the development, growth and expansion of its businesses.

Over the course of its operating history, the Group's management has consistently taken an active stance to build a resilient organization and high-performance culture to deliver stakeholder value by employing an innovative and results-oriented team with a commitment to excellence and sustainability. The visionary leadership of the management team of the Group has helped attract and retain talent, deepen employee engagement and promote the Group's core values of collaboration with empathy, continuous learning from growth and care in action. The Group believes the various awards received by its brands are a testament to the professionalism of its management and strengths of its teams.

The Group believes the dedication of its management team brings about a strong commitment to develop and offer innovative products that are sustainable and have a positive impact on people and the planet.

STRATEGIES

The Group aspires to improve the well-being of people and the planet, and create sustainable solutions for food security.

We are a food company. We understand that we are living in a time where the food we produce and the food that consumers consume have significant impacts not only to our health but also to the health of our environment.

We understand the way we produce and the way consumers consume food will have to change. This is amplified by the estimate of the United Nations that the world population will grow from 7.7 billion in 2019 to become almost 9.7 billion in 2050. It will be impossible to feed the population by then if we do not change the way we produce and consume food.

We believe that in front of these challenges, there will be no other ways but to innovate.

Innovation has been in the DNA of the Company. We have been doing this for decades. This involves business models and almost all business processes.

Today, our strategy is even more profound: through continuing intensive consumer research we should be able to reliably target their emerging needs, and so endeavor to best deploy our investment in technology.

The acquisition of Marlow Foods in 2015 and the introduction of new healthier noodles are the most recent demonstrations of how we live up to our commitments.

While change is inevitable, we have been executing ahead of our time.

This is what sets the Company apart.

The Group's principal strategies for achieving these objectives are set out below:

Drive category growth and market share in branded consumer segments through continuing innovation and focusing on taste, eating experience and well-being of the Group's consumers

Noodles (Philippines)

The Group intends to combine its intimate understanding of the Philippine noodles market with established research and development capabilities to support new product offerings that will suit the changing needs and preferences of and be enjoyed by its consumers. The Group aims to drive category growth through innovation anchored on themes of health and sustainability, premiumization through the introduction of new flavors and formats as product upgrades, and convenience. Given the relatively low per capita consumption of noodles in the Philippines compared to other Asian markets, the Group believes there is room for growth. The Group intends to grow its core products, namely *Instant Mami* and *Pancit Canton* by increasing consumption moments (different new uses for existing products), improving market penetration in key segments and building the brand to keep it meaningful, differentiated and salient among consumers.

The Group aims to accelerate the growth of the Philippine noodles category. As a fundamental prerequisite to this and consistent with the Group's values, the Group intends to reduce the oil content of its noodle products while maintaining flavor and texture. The Group plans to reduce the oil content of its noodle products for health and sustainability reasons. The Group expects to achieve this objective through the increased adoption of the high-speed airflow technology in its noodles business. However, the Group is also unable to determine at this stage whether cost savings from lower oil requirement will be offset by the higher power usage of the high-speed airflow technology given the high price of power in the Philippines. The Group intends to further accelerate category growth through new product developments, additional flavor offerings resulting from improved flexibility in flavor changes incidental to the high-speed airflow technology, increased promotion and wider distribution. In terms of increasing speed of delivery of new products to the market, the Group will, among others, employ artificial intelligence systems to interpret and predict flavor preferences of consumer groups.

Biscuits and other baked goods (Philippines)

The Group has a wide portfolio of biscuit and bakery brands in the Philippines. The Group believes that, while it is number one in the biscuits category in the Philippines in 2020, there is still a lot of room to grow especially in the wafer and sandwich segments, as the Group continues to strengthen its foothold in the cracker segment.

In 2020, the category experienced reduced consumption due to mobility restrictions associated with the COVID-19 pandemic. To achieve market share gains and maintain its market-leading positions, the Group will continue to innovate its products and value chain as well as expand its distribution coverage. The Group aims to upgrade and develop its popular *Nissin Wafer* lines and sandwich lines to keep pace with rising consumer expectations. The Group also intends to integrate the overall operations of MMYSC, the manufacturer of *SkyFlakes*, *Fita* and *M.Y. San Grahams*, with its own operations in terms of procurement, overheads, shared services and export (sales and marketing). In addition, the Group plans to launch its own *Monde*-branded wrapped bread loaf produced using Japanese technology.

The Group has recently entered the bread business through the joint venture and subsequent consolidation of Sarimonde Foods Corporation. The Group considers there to be enormous potential in this sector. Based on the Group's assessment of total flour imports and uses in the Philippines, the Group believes this category, through formal and larger informal channels, to be even greater than the instant noodles category. In the formal wrapped loaves category, the Group has recently launched *Monde Fluffy Bread* and *Monde Milk Bread*, and will launch *Monde Wheat Bread* in March 2021. Product formulation benefits from the Group's established wheat and flour milling expertise and the Group believes its new offering represents better quality and price competitiveness than the products it replaces.

The Group plans to realize its growth aspiration through (i) rapid geographical expansion across key regions in the Philippines by establishing new distributed bread manufacturing facilities, (ii) offering a holistic and superior products assortment through smart innovation and (iii) securing dominant presence through different routes-to-markets, with a particular focus on the unpackaged and unorganized market. In this regard, the Group believes its community distributors can help build habits among target consumers to buy the Group's products on a regular basis and so serve to help cement a large customer base.

The Group believes its strong distribution ecosystem and strong equity in bakery quality will be instrumental in realizing its ambition in the bread business. With these strategies in place, the Group believes it is well poised to quickly scale up to gain a sizeable market share in the bread business and realize healthy margins given its scale leverage along the value chain.

Adjacent categories (Philippines)

As an overall part of the Group's customer (retail) and consumer offering, the Group entered into marketing, sales, and distribution agreements with various other brand owners that have products that complement the Group's core brands. For instance, in 2014, the Group entered into a 20-year Distribution, Marketing and Sales Agreement with Sandpiper Spices and Condiments Corp. under which the Group became the exclusive distributor of *Mama Sita's* products in the Philippines. In 2016 and 2006, the Group entered into distribution agreements with Dutch Mill Co. Ltd. and Dairy Plus Co. Ltd., respectively, under which the Group became the exclusive distributor of *Dutch Mill* cultured milk and yogurt products, respectively, in the Philippines. In 2010, the Group expanded its partnership with Dutch Mill Co. Ltd. to include marketing by the Group of *Dutch Mill* products. The Group is currently reviewing its renewal agreements with Dutch Mill Co. Ltd. and Dairy Plus Co. Ltd. for another five years beginning on March 1, 2021. Under the agreements with Dutch Mill Co. Ltd. and Dairy Plus Co. Ltd., the Group has a functional profile that is bigger than a typical distributor, enabling the Group to have an entrepreneurial role in distributing the products and creating the markets. As a result, the Group believes the return and distribution margins from its distribution agreements are higher than under customary distribution agreements. The Group intends to continue to develop this strategy where product and values are compatible with its core offering.

According to Nielsen, in 2020, *Mama Sita's* held the number one position in terms of retail sales value in the oyster sauce category. While it still has low market penetration, the Group believes these categories have significant growth potential. The pricing strategy of the Group for *Mama Sita's* oyster sauce which commenced in 2018 has resulted in doubling of sales volume within two years, growth in market share and growth in category and brand penetration, making oyster sauce among the fastest-growing culinary aids for the past two years. This also made the *Mama Sita's* brand well-positioned to benefit from increased home cooking. The Group intends to

increase penetration in the oyster sauce as well as marinade, viand and meal sauces categories through market education of *Mama Sita's*' unique value proposition, wider distribution and increased store visibility.

In 2020, *Dutch Mill Delight* was the second biggest player in the cultured milk category according to Nielsen. *Dutch Mill* has gained significant market share in less than five years since 2016 and its revenues have grown more than five times since its launch in 2016. The Group intends to increase market penetration in the cultured milk category through market education of *Dutch Mill Delight*'s healthy proposition, expansion of distribution touchpoints and in-store promotions.

According to Nielsen, in 2020, *Dutch Mill* remained the dominant market leader in terms of volume and retail sales value in the yogurt drink category despite the aggressive entry of low-price players in 2019 and 2020. The Group believes there are significant opportunities in the yogurt drink category in terms of market penetration. The Group intends to consistently stay well ahead of competition and further its category expansion efforts to promote growth through innovations in product portfolio, brand equity and distribution as well as market education of *Dutch Mill*'s value proposition.

Thailand; Export for biscuits and noodles

The Group believes product innovations, mainstream focus, geographic expansion, sharper in-market execution and lean operations allowed its domestic and export businesses in Thailand to increase revenue, gain market share and expand operating margins even during the COVID-19 pandemic. In Thailand, the Group intends to expand its business by further enhancing its digital marketing base, and through the commissioning of a high-speed airflow technology noodle line in Chonburi in 2021 which the Group expects to be operational in 2022. In the biscuits category, the Group plans to develop and promote Healthier Choice-certified products without a compromise in taste. Healthier Choice is an independent nutritional certification indicating that a food or beverage product meets the nutrition requirement set under its specific criterion.

Outside the Philippines and Thailand, the Group's export presence (excluding *Quorn*) has been mainly aimed at providing overseas Filipino workers with a taste of home. Moving forward, the Group believes its low oil content noodles offer the potential for production and marketing in countries with higher consumer awareness of the health and sustainability benefits of lower oil content. Through its improved bakery offerings, Healthier Choice-certified products, and instant noodles, the Group believes it is ready to compete in the wider Asian region. The Group intends to achieve mainstream expansion in Asia, the Middle East and North America through new distribution partnerships. With continued market development, the Group believes that in due course there can be a degree of synergy in country operations across its full product offering range from bakery to instant noodles to *Quorn*.

Revenue Growth Management

As the Group's product assortment and presence has expanded over the years, various targeted interventions such as flagship stores across modern and general trade have helped to continuously develop its main categories and often to gain market share. To further leverage its existing footprint and drive cross-category growth, structured revenue growth management will become an area of focus. This will be through clear channel segmentation, reconsideration of price and pack balancing, channel pack differentiation, trade terms optimization and return on investment-based promotional effectiveness.

Augment the end-to-end supply network capabilities of the Group towards a responsive, adaptive, and predictive ecosystem supporting growth amidst increased demand volatility and consumer sophistication

MNC intends to undertake a holistic redesign of its manufacturing and distribution network aimed at increasing total system capacity while (i) ensuring business continuity and risk mitigation through the strategic location of its facilities, (ii) increasing agility through node synchronization to minimize inventories at each node, (iii) driving structural cost improvements, and (iv) benefiting the environment through waste elimination and the use of more eco-friendly products such as liquefied petroleum gas (**LPG**).

Rapidly evolving customer preferences result in demand volatility. To address this, MNC plans to pilot a new highly responsive work system which will expand the capabilities and skills of its employees and provide flexibility in the Group's operations to cater for increased demand volatility and the trend towards niche product categories.

In addition, MNC intends to partner with innovation companies to develop predictive modeling on demand locations given the inherent higher cost-to-serve nature of an archipelago and the faster internal migration and urbanization happening in the country.

Although the Philippines has been relatively slow to embrace e-commerce, the COVID-19 pandemic has accelerated the pace of digital adoption. The Group understands that consumers are now becoming omni-channel shoppers. Loyalty to only one type of channel is eroding and it is important for the Group to understand the difference in behavior regarding basket content both online and offline. The role of e-commerce in the Group is to close the loop of consumer awareness, customer engagement, and straight to purchase. The Group will continue to collaborate with national and regional online partners and consumer communities. The Group will be increasingly engaging with modern trade and distribution partners for direct e-commerce with them so as to expand the Group's currently nascent volume. The Group's engagement with consumers will be through digital communities but the Group will not be seeking direct business-to-consumer sales. The Group will, however, communicate brand and new product launches as directly as possible just as the Group will seek their feedback. The Group's digital collaboration will be to bring to its established partners relevant consumer data to help the Group better jointly serve its ultimate consumers.

Strategies of Quorn Foods

Quorn Foods operates in an attractive market with high potential for growth that is expected to grow up to U.S.$ 140 billion by 2029 according to Barclays as set out in the OC&C industry report.

In 2020, Quorn Foods defined its purpose – *To Provide Healthy Food for People and the Planet* – and its aspiration – *8 Billion Servings, Net Positive by 2030,* that represents the equivalent of one serving of great-tasting food for every person in the world by 2030. Quorn Foods' interpretation of "net positive" is to put more into the world than it takes out. Its main goal is to use the business as a force to support healthy societies, have a positive impact on its employees, and protect and restore the natural resources around itself.

To deliver this purpose, Quorn Foods has initiated a business transformation in 2020 to lay the foundation for the next phase of growth across key markets.

Initiating business transformation to lay the foundation for the next phase of growth

The key initiatives consist of the following:

- ***Strengthening the leadership team***: In 2020, Marco Bertacca took up his role as Quorn Foods' CEO. Mr. Bertacca brought to Quorn Foods 25 years' experience with consumer foods companies, including management, business development and supply chain roles with Royal FrieslandCampina N.V. in Asia and Europe. Quorn Foods further strengthened its senior management team and now has a strong balance of functional and industry experience, combined with a diverse global background.

- ***Increasing manufacturing capacity and enhancing manufacturing capabilities***: Quorn Foods successfully increased forming capacity and, in addition, constructed a fourth fermenter providing an additional 15,000-metric ton of fermentation capacity currently undergoing commissioning and scheduled to be operational in mid-2021, with full capacity expected to be available by April 2022. In 2020, Quorn Foods dedicated separate Director roles to Director of Manufacturing and Engineering and Supply Chain Director. Additional resources have been

added to strengthen the areas of factory continuous improvement and capital project management.

- ***Accelerating R&D and New Product Development (NPD)***: In 2020, Quorn Foods further enhanced its R&D and NPD capabilities by bringing in a new R&D Director, Tim Ingmire, who has over 25 years' experience in leading R&D on global brands across food and beverage and personal care, and a professor from the University of Birmingham School of Chemical Engineering. To drive the speed of great tasting innovations, the NPD department has now been reorganized with 40% new people, into three workstreams: flavor development, product development and culinary innovation. In addition, the Consumer and Sensory Science capabilities are being strengthened to deepen the understanding of the consumers' needs. The first results can be seen from the *Makes Amazing* launch in retail (a range of tasty ingredients such *as Peri Peri Strips*, *Turkish Style Kebab*) and a buttermilk "chicken" burger for foodservice.

  Today, Quorn Foods engages with more than 20 PhDs who are critical to further improving Quorn's mycoprotein offering and scientific research looking into strain development, documenting health benefits, improving operational efficiencies and enhancing product performance.

- ***Energizing the Brand***: Quorn Foods prepared a new brand campaign, with its recently appointed advertising agent, Adam & Eve, targeted towards flexitarians. It also launched a packaging refresh, supported by its packaging agency, Bulletproof, to improve in-store visibility. Additionally, Quorn Foods entered into a global multi-year partnership with Liverpool Football Club to become the club's Official Sustainable Protein Partner, helping the club to contribute to greater food sustainability as part of its Reds Go Green initiative, which also gives Quorn Foods access to the Boston Red Sox Major League Baseball team.

- ***Recovering key retail customer relationships***: Following a challenging year (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting the Group's Results of Operations — Capacity and Utilization of the Group's Facilities*" on page 146), Quorn Foods has re-established service levels and is improving relationships with key customers.

Capturing the next phase of growth across key markets

Quorn Foods will continue to be focused on capturing the full market potential of its domestic markets, while also accelerating channel and geographical expansion. Quorn Foods believes this can be achieved by:

- ***Maintaining its category leadership in the U.K. in retail and strong position in foodservice***: Quorn Foods owns the *Quorn* and *Cauldron* brands, the No.1 and No.3 brands, respectively, in the meat alternatives category.

For the *Quorn* brand, Quorn Foods will focus on bringing product innovations of great-tasting food to the consumer, for example with exciting future launches such as *Roarsomes* (dinosaur-shaped "chicken" for children) and *Vegan Sausage*. The core area for future growth will be among flexitarians. With its new through the line campaign – *Helping the Planet One Bite at a Time*, Quorn Foods believes it is well positioned to reach this group. Although it aims to reach a broad range of consumers, it also aims to tailor its approach for different consumer groups. As an example, Quorn Foods aims to capture a male audience of all ages through sports, such as through the multi-year partnership with Liverpool Football Club. Additionally, Quorn Foods believes that targeted marketing messages on the benefits of mycoprotein will capture the attention of flexitarians who are health conscious. To this end, Quorn Foods aims to use health-centered channels such as gyms or influencers with healthy lifestyle as the key channel to target this group of customers. As the leading company in the category in terms of retail market share by value in 2020, Quorn Foods will also drive to provide category vision thought leadership to grow the category together with its customers.

The *Cauldron* brand complements the *Quorn* brand to ensure a wider range of consumer needs can be met. Its plant-based products stretch beyond purely meat alternative with ingredient-led products like *Tofu* and *Falafels*. Quorn Foods intends to compete in the rapidly growing chilled retail category offering a wider product range, allowing vegans and flexitarians alike to enhance their eating experiences and broaden their repertoire. Quorn Foods has recently dedicated additional resources to the *Cauldron* brand in order to accelerate growth opportunities, by stretching the range and the formats of alternative proteins.

Furthermore, Quorn Foods will continue to build on its strong position in foodservice, especially in schools and the pubs/bar channels as well as with QSRs such as Greggs and KFC in the U.K. To that end, it has a number of "chicken" style products ready for launch.

- ***Targeting the U.S. as a high growth opportunity***: In February 2021, a new management team role based in the U.S., the President of U.S. market, was appointed to put the right focus and dedication to the market. Quorn Foods will focus on retail and foodservice channels with selected product groups such as "chicken." Quorn Foods has in the past taken a selective approach in the U.S., focusing on the frozen category and key states in the country. Through its efforts, Quorn Foods is ranked third in the West with a 10.5% market share and is ranked fourth in the Great Lakes with an 8.0% market share for the frozen meat alternatives in 2020 as set out in the OC&C industry report. Going forward, Quorn Foods will look to further deepen its foothold in these regions and broaden its presence in other parts of the country by focusing on expanding the product portfolio with localized innovations and increasing brand awareness. Quorn Foods has started on this path by using influencers. Additionally, to drive product development in market, especially for foodservice, Quorn Foods recently obtained access to development kitchen facilities and expanded its local culinary team. Quorn Foods believes this will help drive the speed of localized and bespoke product development.

- ***Increasing penetration in the Global QSR channel***: Quorn Foods has a proven track record in the QSR channel with customers such as Greggs, KFC, Costa and Pizza Hut in the U.K. and Hooters in the U.S. and intends to expand its business globally. Quorn Foods has identified the QSR channel as a way to grow the business and increase accessibility to food. A dedicated team, including experienced QSR NPD resources, has been created to work with key customers to provide tailormade products, services and solutions. Quorn Foods has recognized synergistic benefits between the approach to this key channel and developing the local foodservice/QSR channel in the U.S.

- ***Preparing for further international growth***: Quorn Foods will start by leveraging off its existing presence in key European markets, developing the right localized portfolio for selected markets and preparing for long-term high growth. Additionally, it will prepare for future opportunities in selected Asian markets, especially in countries where it or the Company has an existing presence.

Investing to position Quorn Foods to be a long-term winner in the massive addressable and expanding meat alternatives market

Quorn Foods believes that in order to win in the meat alternatives market, it must make food that matches the taste expectations of flexitarians, drive mass awareness to the flexitarian consumer base, have the highest credentials in health and sustainability, have the capacity to match growth potential and have a footprint in the major markets.

To that end, Quorn Foods has already invested in incremental capacity to prepare for near-term growth opportunity and to complete its transformation and capture the next phase of growth it intends to invest further to:

- ***Build capacity for medium-term growth***: Quorn Foods aims to ensure sufficient capacity and agility in this high growth category. Furthermore, Quorn Foods intends on investing in localized manufacturing capabilities in markets where they gain scale, with the U.S. market identified as the priority to look to invest in local production capacity.

- ***Lead through technology***: Quorn Foods believes that the requirements of the meat alternatives category will continue to evolve as it attracts new and diverse consumers and tastes. It therefore seeks to not only keep enhancing its bio-tech (fermentation) capabilities but also invest in research and food technologies to continuously improve its products. To that end, it is actively evaluating options for a Global Food Application and Innovation Center. Through these developments, Quorn Foods aims to deliver the next generations of great-tasting food that is better for people and the planet.

- ***Build its brand and conduct consumer research***: Quorn Foods plans to accelerate investment in marketing and consumer research, further developing its brand in priority markets.

In summary, Quorn Foods believes it has embarked on the right transformational journey for growth. Over the next years, the focus will be on the home market, the U.S. across retail and foodservice and QSR channels. Key pillars of the growth strategy across the priority markets are developing great-tasting food for now and the future, driving brand awareness, developing partnerships with key customers in retail and foodservice, expanding capacity and technical capabilities and continuing to expand capabilities and resources for R&D and marketing. In line with this, the Company intends to allocate part of the proceeds of the Offer to accelerate the investment in Quorn Foods.

Continue to promote sustainability and health in the Group's APAC BFB Business

The Group has six strategic areas of actions in respect of this strategy for the APAC BFB Business, as follows:

Pivot to a "healthier and better" portfolio

To tackle the challenges posed by malnutrition in the Philippines, the Group intends to (i) develop and grow its "healthier and better" portfolio and (ii) drive consumer education and engagement on health and nutrition. The Group's "healthier and better" portfolio comprises noodle products that have been migrated to the high-speed airflow technology resulting in a reduction in saturated fat by over 50%, bakery products which the Group intends to enrich with essential nutrients and beverage products that meet the Philippine Department of Education's green (less 10 grams) and yellow (10 to 20 grams) standards on sugar content.

In relation to developing and growing its "healthier and better" portfolio, in 2020, the Group embarked on an initiative aiming to reduce the sodium contents of its noodle products up to 2% per year for the next five years. Through product innovations in its "healthier and better" portfolio and consumer education and engagement, the Group aims to increase the revenue share of its "healthier and better" portfolio.

Moving toward a resource efficient and zero waste value chain

To address solid waste management, one of the primary environmental issues associated with the food products industry, the Group intends to (i) implement waste-to-value initiatives, (ii) manage post-consumer waste footprint and (iii) implement other initiatives such as those relating to yield loss reduction and materials efficiency. The Group also intends to switch to 100% recyclable packaging in the future. Through these initiatives, the Group aims to increase the percentage of waste recycled as well as of waste diverted to other value chains from its various facilities.

Transition to a low carbon value chain

To align with global efforts to transition towards a low-carbon economy, the Group intends to (i) improve the energy efficiency of its plants, (ii) shift to renewable energy and (iii) promote supply and distribution efficiency by, among others, building a fuel-efficient supply network and driving responsible sourcing.

The Group monitors its GHG closely and aims to reduce greenhouse gas intensity across its value chain. The Group intends to reduce the greenhouse gas intensity of its facilities by entering into a green sourced power purchasing agreement, improving productivity (by increasing output using the same or less utilities) and switching to lower carbon fuel for steam production. For example, the Group plans to shift to LPG (instead of coal) as energy source in its facility in Batangas that is under construction.

Scale up inclusive distribution

The Group intends to strengthen its community distribution network by providing livelihood to its brand experts and to empower its *sari-sari* store partners by providing access to microfinance services. The Group also aims to increase the number of brand experts provided with livelihood opportunities as well as the number of its *sari-sari* store partners with access to financial credit. In 2020, the Group partnered with a Philippine bank and TrueMoney in relation to the provision of microfinance credit to over 1,000 *sari-sari* stores. Under the tripartite agreement, the Philippine bank provides credit for the purchase of the Group's products. The maximum short-term working capital amount for *sari-sari* stores is ₱5,000 which may increase over time depending on the retailer's usage or credit standing. TrueMoney, a financial technology company and remittance network, releases the cash payments via bank-to-bank transactions to the Group's distributor partners in relation to the purchases made by the enrolled *sari-sari* store customers of such distributors. This arrangement enables the Group's *sari-sari* store partners to purchase additional stocks of the Group's products on affordable credit. The Group facilitates and monitors these arrangements and provides incentives such as loyalty points and onboarding product freebies to encourage its *sari-sari* store partners to use this microfinance facility.

The Group believes its partnership with the Philippine bank and TrueMoney bridges the gap and provides its *sari-sari* store partners access to financial solutions. As of the date of this Prospectus, this tripartite arrangement has been suspended in view of the COVID-19 pandemic. The Group intends to resume these or similar arrangements in the future. The Group plans to team up with multiple strategic partners to provide financial credit to its *sari-sari* store partners.

Foster an inclusive environment through better workplace practices

The Group aims to provide productive employment and ensure rights at work, social protection, and opportunities for social dialogue across its workplaces. To achieve these, the Group intends to continue to (i) ensure an inclusive workplace, (ii) offer opportunities for career growth, (iii) provide social safeguards, (iv) work with labor providers with similar management practices and that share the same values and (v) encourage social dialogue.

Enable employees to put the Group's sustainability aspirations into action

The Group seeks to engage its workforce on sustainability and address societal challenges relevant to their context. The Group intends to engage employees on sustainability through education and training as well as activities and initiatives. The Group also encourages all employees to contribute to sustainability through personal conduct and through a structured feedback system to encourage initiatives and process them for further development.

Continue to adhere to the Group's aspiration to improve the well-being of people and the planet, and create sustainable solutions for food security

The Group has been built through continuous innovation and investment ahead of changing consumer tastes. Over time, the Group has progressed from a focus on taste alone, to focusing on a combination of taste and individual and planetary health. The Group believes its success has outweighed the occasional setbacks that it has experienced as it searched for ways to achieve its aspirations. The Group will continue to seek investments in brands, processes and emerging technologies that are compatible with its aspirations. See "*Business — APAC BFB Business — Sustainability*" on page 226 and "*Business — Meat Alternative Business – Quorn Foods — Sustainability*" on page 249.

APAC BFB BUSINESS

Key milestones

1979	MNC was incorporated as Monde Denmark Nissin Biscuit Corporation and launched *Nissin Butter Coconut Biscuits* and *Nissin Wafers*.
1989	APAC BFB Group launched *Lucky Me!*.
1991	APAC BFB Group launched *Lucky Me! Pancit Canton*, the first dry stir-fried pouched noodles in the Philippine market.
1998	APAC BFB Group set up flour mill operations and started export activities.
2001	MNC established MMYSC as a joint venture with My Crackers, Inc. MNC held a 60% stake in MMYSCat the establishment of the joint venture. Through this joint venture, MNC added *SkyFlakes*, *Fita* and *M.Y. San Grahams* to its product portfolio. APAC BFB Group achieved ISO 9001:2000 Certification for quality management system.
2005	APAC BFB Group set up a manufacturing plant in Thailand and a new instant noodle plant with a research and development center.
2006	MNC formed a partnership with Dairy Plus Co., Ltd. for the distribution of *Dutch Mill* yogurt drinks. The APAC BFB Group also set up a seasoning plant in Thailand.
2010	APAC BFB Group achieved ISO 22000:2005 Certification for food safety management.
2011	APAC BFB Group set up a packaged cake manufacturing plant and launched the *Monde Mamon* packaged cake.
2014	MNC formed a partnership with Sandpiper Spices and Condiments Corp., the manufacturer of *Mama Sita's* branded products, and became the exclusive marketing and distribution arm of Sandpiper Spices and Condiments Corp. for *Mama Sita's* products.
2015	MNC acquired Quorn from Exponent Private Equity.

2016	MNC formed a joint venture, Sarimonde Foods Corporation, with Indonesia's largest bread manufacturer, PT Nippon Indosari Corpindo TBK, to expand its footprint in the bread segment. The MNC held a 45% stake in Sarimonde Foods Corporation at the establishment of the joint venture. MNC formed a partnership with Dutch Mill Co., Ltd. for the distribution of *Dutch Mill* cultured milk.
2017	MNC formed a joint venture, Monde Malee Beverages Corporation, with Malee Beverage Public Co. Ltd., a leading juice and canned fruit manufacturer in Thailand, and became the exclusive distributor of *Malee* branded beverage products in the Philippines. MNC held a 49% stake in Monde Malee Beverages Corporation at the establishment of the joint venture and continues to maintain its stake at 49% until present day.
2019	MNC reduced its stake in Sarimonde Foods Corporation from 45% to 25%.
2021	MNC acquired an additional 55% stake in Sarimonde Foods Corporation from PT Nippon Indosari Corpindo TBK, raising its equity interest in Sarimonde Foods Corporation to 80%. As a result, Sarimonde Foods Corporation became a subsidiary of MNC, and MNC terminated its joint venture with PT Nippon Indosari Corpindo TBK. MNC acquired the remaining 40% stake in MMYSC from My Crackers, Inc. and MMYSC became MNC's wholly owned subsidiary.

Products and Brands

The Group's APAC BFB Group manufactures, markets and sells an extensive portfolio of products which can be categorized into three product groups: (i) instant noodles; (ii) biscuits; and (iii) other products (such as baked goods, beverages and culinary aids).

The Group conducts its APAC BFB Business mainly in the Philippines and Thailand. Net sales from MNC, which are mostly generated in the Philippines, represented 94.9%, 95.0% and 94.1% of the APAC BFB segment net sales in 2018, 2019 and 2020, respectively. The table below sets forth MNC's net sales for each product group and their contribution to MNC's net sales.

	For the year ended December 31,						
	2018		2019		2020		
	(P in billions, unless otherwise indicated)						
	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales (U.S.$ in millions)
Instant noodles	22.1	47.9	22.5	46.6	25.4	50.1	511.8
Biscuits	14.8	32.0	15.9	32.9	15.4	30.4	310.3
Others	9.3	20.1	9.9	20.5	9.9	19.5	199.5
Total	46.2	100.0	48.3	100.0	50.7	100.0	1,021.6

Instant Noodles

The APAC BFB Group markets its instant noodles products under the *Lucky Me!* brand. The below table sets forth *Lucky Me!*'s market share in retail sales value in the Philippines.

Category	Market Share in Retail Sales Value in the Philippines (2020)(1)	Ranking for Market Share (2020) (1)
Instant Noodles	68%	1st

Notes:

(1) Source: Nielsen.

The below table sets forth *Lucky Me!* sample product lines, including best sellers, offered in the Philippine market.

Wet Pouch

- *Lucky Me! Chicken na Chicken Mami*
- *Lucky Me! Beef na Beef Mami*
- *Lucky Me! Spicy Labuyo Beef Mami*
- *Lucky Me! Lomi*
- *Lucky Me! Jjamppong*

Dry Pouch

- *Lucky Me! Pancit Canton Kalamansi*
- *Lucky Me! Pancit Canton Extra Hot Chilli*
- *Lucky Me! Pancit Canton Chilimansi*
- *Lucky Me! Pancit Canton Sweet & Spicy*
- *Lucky Me! Pancit Canton Original*
- *Lucky Me! Curly Spaghetti*
- *Lucky Me! Mac & Cheese*

Cups

- *Lucky Me! Go Cup Bulalo*
- *Lucky Me! Go Cup Batchoy*
- *Lucky Me! Go Cup Jjamppong*
- *Lucky Me! Go Cup Spicy Bulalo*
- *Lucky Me! Go Cup Sotanghon*
- *Lucky Me! Pancit Canton Go Cup Kalamansi*

The APAC BFB Group launched its instant noodles products under the *Lucky Me!* brand in 1989. Since then, *Lucky Me!* has grown into an iconic brand consumed by 98% of Filipino households in 2020 and continues to be the most chosen consumer brand in terms of consumer reach points in the Philippines according to Kantar, the fifth consecutive year that *Lucky Me!* has secured the top position. According to Kantar, in 2020, *Lucky Me! Instant Mami* and *Lucky Me! Pancit Canton* are recognized as iconic brands among their core targets, a status which only 4% of the brands in the world can claim. It rates above market average on a number of key market propellers, namely, meaningfulness, differentiation and salience. Furthermore, according to Nielsen, *Lucky Me!* has maintained its number one position in the Philippines, securing 68% of the market share in retail sales value in 2020.

Lucky Me! offers a wide array of innovative and flavorful noodle varieties. There are three product lines under *Lucky Me!*: (i) wet pouch; (ii) dry pouch; and (iii) cups. Wet pouch comes in ten different flavors and is designed to be enjoyed as a comforting savory noodle soup. *Lucky Me!*'s dry pouch pioneered the segment in 1991. It is currently the largest segment of the APAC BFB Business' instant noodles products based on net sales and has the highest market share in terms of retail sales value in its category in the Philippines in 2020 according to Nielsen, delivering a variety of flavors of stir-fried noodles and pasta. Launched in 1995 as the first of its kind in the Philippine market for on-the-go convenience, the *Lucky Me! La Paz Batchoy* and the *Lucky Me! Bulalo* lines offer instant noodles served in bowls (now in cups) primarily for single serve portions.

The APAC BFB Group manufactures, distributes and markets *Lucky Me!* mainly in the Philippine market. Through its Thailand operations, the APAC BFB Group exports *Lucky Me!* to more than 20 countries. MNC's net

sales for the instant noodles product group accounted for 47.9%, 46.6% and 50.1% of MNC's net sales for the years ended December 31, 2018, 2019 and 2020, respectively.

Biscuits

Biscuits was the first product group that the APAC BFB Group marketed when it started its operations. The APAC BFB Group launched its biscuit brand *Nissin* in 1979. MNC's acquisition of M.Y. San Biscuit, Inc. (renamed as Monde M.Y. San Corporation after the acquisition) in 2001 added *SkyFlakes*, *Fita* and *M.Y. San Grahams* branded crackers to its portfolio. Since then, the APAC BFB Group has added an assortment of delectable and nutritious snacks, from wafers to cookies to cracker and cookie sandwiches.

The APAC BFB Business' key brands and sample product lines, including best sellers, offered in the Philippine market as well as market share information under the biscuits product group are as follows:

Category	Sample Product Lines	Market Share in Retail Sales Value in the Philippines (2020)[(1)]	Ranking for Market Share (2020)[(1)]
Biscuits Product Group		31%	1st
Crackers	• *SkyFlakes* Crackers • *Fita* Crackers • M.Y. San Grahams • *Nissin* Butter Coconut	56.9%	1st
Sandwiches	• *Bingo* Cookie Sandwich Double Choco • *Bingo* Cookie Sandwich Orange • *SkyFlakes* Cracker Sandwich Condensada	14.4%	3rd
Cookies	• *Nissin* Breadstix • *Nissin* Eggnog •	21.3%	1st
Wafers	• *Nissin* Classic Wafer Choco • *Nissin* King Wafer Choco • *Nissin* Wafer Double Choco • *Nissin* Stick Wafer Chocolate	17.5%	2nd

Notes:

(1) Source: Nielsen.

The APAC BFB Group manufactures, distributes and markets its biscuits products mainly domestically in the Philippines. MNC's net sales for the biscuits product group accounted for 32.0%, 32.9% and 30.4% of MNC's net sales for the years ended December 31, 2018, 2019 and 2020, respectively. Brands under the biscuits segment that the APAC BFB Business manufactures, distributes and markets in the Philippines are *Nissin*, *SkyFlakes*, *Fita*, *Bingo* and *M.Y. San Grahams*.

In Thailand, the APAC BFB Group manufactures, distributes and markets products under *Voiz* and *Sumo* brands. For the year ended December 31, 2020, the APAC BFB Business' net sales in Thailand outperformed the overall Thailand biscuits market, witnessing a 9% growth compared to the previous year against a negative growth of 6.1% for Thailand overall biscuit sales, according to Nielsen.

Others

The products of the APAC BFB Group under Others are packaged baked goods, beverages, culinary aids, fresh bread and others.

MNC's net sales of the products under the Others product group represented 20.1%, 20.5% and 19.5% of MNC's net sales for each of the years ended December 31, 2018, 2019 and 2020, respectively. The table below sets forth MNC's net sales for each product line within the Others product group and their contribution to total MNC's net sales for the periods indicated:

	For the year ended December 31,						
	2018		2019		2020		
	(₱ in billions, unless otherwise indicated)						
	Net Sales	**% of Net Sales**	**Net Sales**	**% of Net Sales**	**Net Sales**	**% of Net Sales**	**Net Sales (U.S.$ in millions)**
Baked goods	1.2	2.6	1.3	2.7	1.3	2.6	26.2
Beverages[(1)]	3.1	6.7	3.9	8.1	4.3	8.5	86.7
Culinary aids	1.9	4.1	2.1	4.3	2.5	4.9	50.4
Fresh bread	0.4	0.9	0.0	0.0	0.1	0.2	2.0
Others[(2)]	2.7	5.8	2.6	5.4	1.7	3.3	34.2
Total	9.3	20.1	9.9	20.5	9.9	19.5	199.5

Notes:

(1) Beverages comprises yogurt drinks and cultured milk.

(2) Others comprises Quorn products, exports, snacks, cereal, pasta, scrap sales and flour sales within the Group.

The APAC BFB Business' key brands and sample product lines, including best sellers, offered in the Philippine market as well as market share information under the Others product group are as follows:

Category	**Sample Product Lines**	**Market Share in Retail Sales Value in the Philippines (2020)**	**Ranking for Market Share (2020)**
Oyster Sauce	• *Mama Sita's* Oyster Sauce	56%	1st
Yogurt Drinks	• *Dutch Mill* Yoghurt Drink Strawberry • *Dutch Mill* Yoghurt Drink Superfruits • *Dutch Mill* Proyo Strawberry (New) • *Dutch Mill* Delight	73.2%	1st
Cultured Milk		27%	2nd

Notes:

(1) *Source: Nielsen.*

Apart from the key brands above, the APAC BFB Group also offers *Jelly Vit* vitamin and collagen-enriched jelly drinks, *Malee* vegetable and fruit juices and *Walter* healthy bread in the Philippines.

The APAC BFB Group markets the various brands under its Others product group domestically in the Philippines. The Company manufactures, distributes and markets *Monde* packaged bakery products. *Monde* represents the APAC BFB Group's product initiative to venture into the mid-price bakery segment. *Monde* was the first brand in the Philippines to offer bakeshop-quality cakes and pastries made with real eggs and fresh ingredients. Monde Malee Beverage Corporation, MNC's joint venture in which it holds 49% in ownership, manufactures, distributes and markets *Malee* products. *Malee* beverages are made from real fruit and vegetable with no added sugar, preservatives and artificial colors. Sarimonde Foods Corporation, established in 2016 as a joint venture, is the exclusive distributor of *Walter* healthy-bread branded products and later started to manufacture the Walter products. *Walter* is a healthy bread product line offering bread that contains fiber and wheat and has low or no sugar.

In 2006 and 2016, MNC entered into distribution agreements with Dairy Plus Co., Ltd. and Dutch Mill Co., Ltd., respectively, where MNC became the exclusive distributor of *Dutch Mill* yogurt products and cultured milk in the Philippines. In 2010, the Group expanded its partnership with Dutch Mill to include marketing by the Group of *Dutch Mill* products. The Group is currently reviewing its renewal agreements with Dutch Mill and Dairy Plus for another five years beginning on March 1, 2021. In 2014, MNC also entered into a 20-year Distribution, Marketing and Sales Development Agreement to form an agency partnership with Sandpiper Spices and Condiments Corp., the manufacturer of *Mama Sita's* branded products, to exclusively market and distribute *Mama Sita's* products. These products include oyster sauce and meal mixes and sauces. *Mama Sita's* is a legacy brand with rich culinary heritage well-established in the Philippine market. MNC believes that it derives above-market economic advantages for these marketing and distribution agreements because of the entrepreneurial role it plays whereby it makes marketing investments for the relevant products.

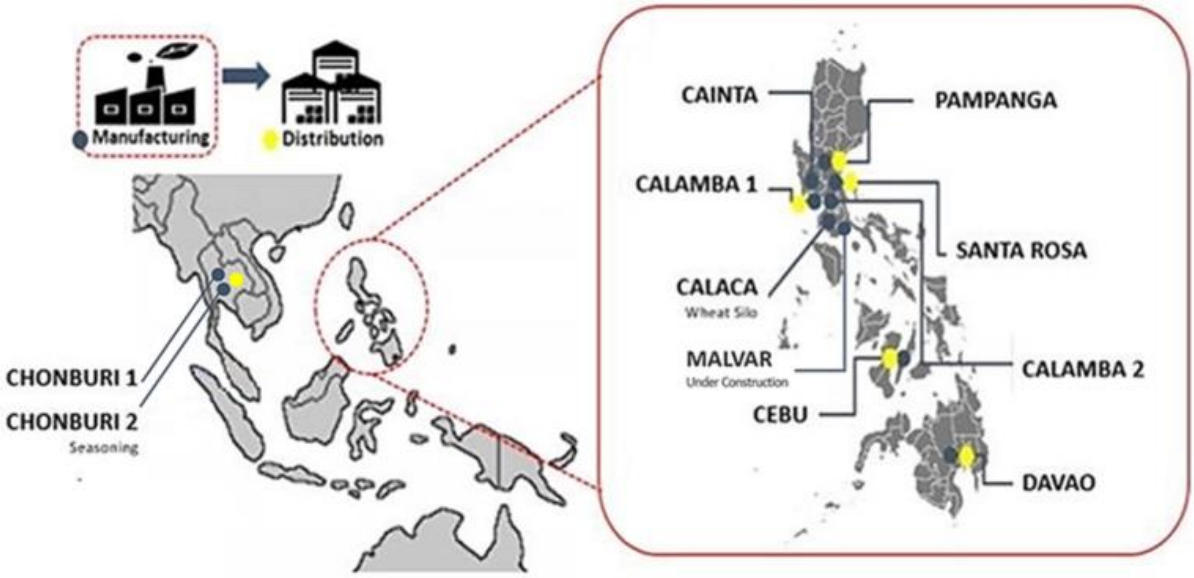
Manufacturing Facilities

The APAC BFB Group has established an extensive network of production facilities in the Philippines and Thailand to meet the growing demand for its products.

As of December 31, 2020, the APAC BFB Group had eight production facilities (including a new manufacturing facility under construction in Malvar, Batangas) with five co-located distribution centers and a wheat silo storage in the Philippines. In Thailand, the APAC BFB Group had two production facilities, including a seasoning plant which produces seasoning and condiments for its instant noodles facilities. See *"— APAC BFB Business — Properties"* on page 223.

As of December 31, 2020, the APAC BFB Group manufactured approximately 90% of its products sold in the Philippine market locally and the rest were either imported or sourced from agency partners.

The diagram below depicts the location of each production facility and co-located distribution centers of the APAC BFB Group as of December 31, 2020.



The table below sets forth demand-to-capacity ratio of manufacturing facilities of the APAC BFB Group in the Philippines for each product for the year ended December 31, 2020.

Category	Segment	Demand-to-Capacity Ratio (%)(1)(3)
Noodles	pouches, cups, min-cups (wet and dry)	91
Biscuits	crackers, cookies, wafers, sandwiches	70
Cakes	Mamon cakes and cheese bars	70
Bread	loaves and buns	45(2)

Notes:

(1) Demonstrated Capacity Ratio means the average of daily demand over the demonstrated daily throughput times 303 productive operating days.

(2) Number of loaves per line per day.

(3) Data presented does not take into account additional capacity from a new plant at Malvar, Batangas, the Philippines, which is under construction. MNC expects that this plant will commence commercial operation in the second half of 2021.

The APAC BFB Group employs best-in-class tools, processes and standards pertaining to food safety and quality assurance at its manufacturing facilities. The manufacturing plants in Santa Rosa, Cebu and Davao are FSSC 22000 (GFSI) and ISO22000:2005 (Food Safety Management Systems) certified. The remaining manufacturing plants of MNC in the Philippines are FSSC 22000 (Food Safety) certified. All of Thailand manufacturing facilities are FSSC, Halal, HACCP, GMP, IEAT certified and its crackers plant is also SMETA, SAHAMIT and URSA certified.

Santa Rosa Facility

The below graphics show different facilities in Santa Rosa.

Flour Mills

Noodles Plant

Biscuits Plant

Cake Plant

Distribution Center with Automated Storage and Retrieval Systems

The Santa Rosa plant serves as the APAC BFB Group's first and flagship integrated facility. It is highly automated, particularly in the noodles production. It has a vertically integrated flour production and also acts as a

flour supplier for other APAC BFB Group's plants within the Philippines. The flour mills employ a computerized flour mixing and blending system.

Also situated within the Santa Rosa facility is an extensive warehouse space of approximately 33,000 square meters. The facility is equipped with two automated storage and retrieval systems (**ASRS**) with over 26,000 pallet positions. The APAC BFB Group believes that this warehouse has the largest deployment of high capacity ASRS in the country. Finished goods from production are received through palletizer machines, then transferred by rail-guided vehicles into single and double deep stacking locations in ASRS.

Cebu Facility

The Cebu manufacturing facility was established initially to produce instant noodles in 1989, the same year of the launch of *Lucky Me!* The Cebu facility has since been the enabler of growth in the Visayas region as more product categories are added to its production throughout the years.

Cainta Facility

The Cainta manufacturing facility was set up in 2001 and its operations have expanded at a relatively fast pace. However, there is no further room for expansion due to the shape of the property and other limitations.

Calamba Facility

The Calamba facility comprises two plants. The Calamba 1 plant was the first facility of the APAC BFB Group in the Philippines that is situated inside an industrial park, the Carmel Ray Industrial Park 2. As of December 31, 2020, the Calamba 1 plant operated to its full capacity.

The Calamba 2 Plant is located in the Carmel Ray Industrial Park 1. It came into operation in 2017.

Davao Facility

The Davao manufacturing facility commenced its operations in 2013 to capture to the growing demand in Mindanao. Since then, the Mindanao region has seen one of the fastest growing sales compared to other regions. The Davao manufacturing facility is one of the best performing and most reliable production facility of the APAC BFB Group.

Pampanga Facility

The Pampanga manufacturing facility was built in 2019 to double the warehouse productivity. It is strategically chosen to capture the growing demand in the North and Central Luzon. It houses an integrated warehouse management information system coupled with new work process design.

Malvar Facility

The Malvar manufacturing facility is the most recent facility that the APAC BFB Group invested in and it is currently under construction. The facility is situated in the Light Industry and Science Park 4, one of the leading private industrial parks in the Philippines. It has the second-largest land area among all the APAC BFB Group's facilities and is the first leg of the end-to-end supply network redesign, which will feature a new work system.

Chonburi Facility

The APAC BFB Group believes that Thailand is a strategic location for production as it provides access to a greater variety and better quality spices and other raw materials at reasonable cost.

In 2005, the APAC BFB Group set up a biscuits plant in Amata City, Chonburi province, Thailand (Chonburi 1 Facility). The biscuits plant manufactures crackers, wafers, cookies and waffles under the brands *Voiz* and *Sumo*. The Chonburi facility also started *Lucky Me!* noodles production in 2020. As of December 31, 2020, the APAC BFB Group had two noodle lines at its manufacturing facility in Thailand. It intends to commission its third noodle line in Thailand, using high-speed airflow technology, in 2021. It intends to install multiple high-speed airflow technology lines for its instant noodle product in Thailand in the next three years. Production in Thailand is for local consumption and exports to more than 50 countries.

The APAC BFB Group set up a seasoning plant in Thailand in 2006 (Chonburi 2 Facility) to produce seasoning and condiments for its instant noodles facilities. Products from the Chonburi facility are seasoning powder, condiments such as soy sauce and oil, and freeze-dried products for instant noodles. The plant supplies such products to instant noodles facilities in the Philippines.

Raw materials

Materials accounted for 74.0%, 72.5% and 73.3% of cost of goods sold for the years ended December 31, 2018, 2019 and 2020. In 2020, the raw materials that accounted for the largest percentages of the APAC BFB Business' cost of goods sold were wheat, palm oil, flour, sugar and coconut oil, respectively.

For the year ended December 31, 2020, flour from the Santa Rosa plant served at least 80% of the APAC BFB Group's production requirements and the APAC BFB Group purchased the rest from local millers. Wheat is sourced from the U.S. The APAC BFB Group sources palm oil for the Philippines from multiple local suppliers and refiners, which buy from Indonesia and Malaysia, while its Thai operation sources wholly from Thailand. Sugar and coconut oil are sourced mainly from local suppliers in the Philippines and Thailand. The cost of packaging is immaterial compared to the aforementioned commodity raw materials.

For packaging, the main raw materials for all product groups are plastic wrapper, plastic cups, PET sachets and packaging carton. Except for the PET sachets used for soy sauce and oil, all packaging raw materials are sourced locally. In line with its core value of promoting sustainability, the APAC BFB Group implemented various initiatives to use less packaging materials for its products which also resulted in significant cost savings. In Thailand, the APAC BFB Group resized and redesigned its biscuits product packaging to be tighter and adjusted the thickness of the packaging. This has brought the cost of raw materials down by 53% in 2019 compared to the previous year. It also looks to have all packaging use recyclable materials in the future.

Prices of raw materials are subject to significant volatility due to extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, currency exchange rate fluctuations and other factors. The APAC BFB Group revisits the prices of its commodity raw materials such as flour and sugar regularly and ensures that supply contracts allow for further adjustment as required to achieve cost efficiency. The APAC BFB Group has been able to partially mitigate price fluctuations in raw materials through a combination of (i) operational synergies, (ii) the use of long-term contracts with suppliers to lock in pricing, and (iii) the Philippine government's imposition of price controls on sugar, its second most consumed raw material. Given that a significant portion of the APAC BFB Group's flour requirement is produced in-house at its Santa Rosa plant, it enjoys consistent supply, quality and cost savings for flour from this operational synergy. Operational synergy is also achieved in the supply of seasoning for instant noodles production from the seasoning plant in Thailand which offers comparatively lower costs than if seasonings were to be supplied in the Philippines as Thailand serves as one of the hubs for food manufacturing industry. Another major cost-saving initiative is the use of high-speed air flow technology to reduce palm oil usage in noodle products.

Suppliers

The APAC BFB Group selects its suppliers based on value for money and reliability. The general payment term for local suppliers is 45 days and 45 to 60 days after the date of the bill of lading for international suppliers. It aims to continue to maintain longer payment terms with suppliers than its customers to maintain negative cash cycle. Terms with key raw material suppliers provide for a supply period of approximately two months to a year

with a pre-determined fixed and formula-based price for the duration of the supply relationship. The APAC BFB Group does not depend on a single supplier where the loss of such supplier would have a material adverse effect on its operations. The APAC BFB Group's key suppliers include Pacificor, LLC, Pilmico Foods Corporation, Oleo-Fats, Incorporated, ADM Asia-Pacific Trading Pte Ltd, Tap Oil Manufacturing Corporation, All Asian Countertrade Inc, and Multi Oil Manufacturing Corporation for raw materials such as wheat, palm oil, flour, sugar and coconut oil.

The graphics below show ports for unloading wheat supply in the APAC BFB Group's operations.


Research and Development (R&D)

The APAC BFB Group believes that its R&D team has a strong and long-standing track record of market firsts in product development and launches. As of December 31, 2020, MNC had 32 food technologists and engineers. Five of them held degrees in Master of Science or Master of Business Administration. In Thailand, as of December 31, 2020, the APAC BFB Group employed seven food technologists and scientists, one held a PhD and three held degrees in Master of Science.

Lucky Me! pioneered the dry pouch instant noodles segment with *Lucky Me! Pancit Canton* in 1991 and was the first in the Philippines to launch instant noodles in no-cook bowls in local flavors such as *La Paz Batchoy* and *Bulalo* in 1995. *Lucky Me! Jjamppong* was the first locally produced, Korean-inspired flavor in the Philippine market. In 1997, *Lucky Me!* was the first brand in the industry to establish a partnership with the Philippine Department of Health in the Sangkap Pinoy Fortification, a campaign to encourage food manufacturers to fortify food products with essential nutrients at levels approved by the Department of Health. In 2008, the APAC BFB Group started offering instant noodles with no artificial preservatives added in *Lucky Me!* wet pouch and cups.

Lucky Me! continues to develop new products utilizing its extensive local knowledge of Philippine consumers. Since 2018, the APAC BFB Group has launched various new product segments such as *Lucky Me! Pancit Canton Go Cup*, added new product variants such as *Lucky Me! Spicy Batchoy, Spicy Bulalo* and *Hot Cheese Ramyun* and relaunched products including *Lucky Me! Pancit Canton Kalamansi*, *Lucky Me! Pancit Canton Extra Hot Chilli, Lucky Me! Beef na Beef*, *Lucky Me! Baked Mac* and *Lucky Me! Mac & Cheese* under its instant noodles product group. It also constantly develops new flavors such as the Asian line, exemplifying its deep understanding of the Filipinos' love for flavors. Furthermore, *Lucky Me!* aims to set the market precedent for healthy noodles. In late 2020, the APAC BFB Group installed the first high-speed airflow technology line for *Lucky Me!* products. With the high-speed airflow technology, palm oil content is reduced by approximately 55% to 70%. Most *Lucky Me! Instant Mami* and *Lucky Me! Pancit Canton* variants contain one-third of the daily requirements of vitamin A or iron, serve as a source of protein and provide other nutrients such as vitamin C and iodine.

For biscuits and Others product group, the APAC BFB Group believes that *Dutch Mill* was the first widely distributed yogurt drink in the Philippines and that the brand boosted the Philippine yogurt drink consumption. *Monde* also launched the first packaged sponge cake in the Philippine market and *Nissin's Waffle Deluxe* was the first premium wafer product filled with chocolate and rice crispies.

Since 2018, the APAC BFB Group has launched various new biscuits product segments such as *Nissin Malkist*, added new product variants such as *Nissin Double Choco, Nissin Breadstix Garlic Parmesan* and added new sizes for *Nissin Butter Coconut* and *Nissin Wafer*. New products that the APAC BFB Group has launched in the bread

category include *Monde Fluffy Bread* and *Monde Milk Bread* and it plans to launch *Monde Wheat Bread* in the coming month. It has four products in the biscuits category that it plans to launch in 2021 in the Philippines and Thailand.

The APAC BFB Group believes it was the first consumer food manufacturer in the Philippines and Thailand to adopt cutting-edge artificial intelligence technology in its new product development process. This artificial intelligence compares the taste profile of new products being developed by the APAC BFB Group to preferred taste profiles of certain consumer groups in the market. The adoption of artificial intelligence technology has resulted in a more accurate and efficient assessment of taste profiles of consumer groups.

In terms of packaging, the APAC BFB Business' R&D team continuously innovates with an aim to reduce plastic in all products' packaging and divert post-consumer waste from packaging to other value chains to promote sustainability. See "*— APAC BFB Business — Sustainability*" on page 226.

The Group spent 0.23%, 0.19%, and 0.19% of its revenues for the years ended December 31, 2018, 2019 and 2020, respectively, in research and development**.** Furthermore, to augment its in-house R&D capabilities, the APAC BFB Group also partners with various innovation companies and organizations. In 2019, MNC through MNSPL completed the last tranche of subscription of 30% equity interest in NAMZ Pte. Ltd., a food science company in Singapore that dedicates its work towards creating healthier planet and people. The acquisition cost amounted to P324.2 million. Following a third-party's investment in 2020, MNC's equity interest in NAMZ Pte. Ltd. became 21.2%. In addition, MNC intends to further invest to install additional high-speed airflow technology lines for its instant noodle products in the Philippines and Thailand in the next three years, respectively. See "*Use of Proceeds – Capital Expenditure*" on page 84.

Distribution channels

MNC has an extensive warehousing network strategically located in the Philippines. As of December 31, 2020, it had 12 warehouses in the Philippines, five of which are co-located within its manufacturing facilities. MNC mainly outsources its warehouse management function to third parties. MNC's warehouses can accommodate both dry and chilled products. With these warehouse facilities and more than 400 delivery trucks engaged in its logistics operations from third-party service providers, MNC processed approximately 50,000 orders per month as of December 31, 2020.

MNC outsources its distribution function to resellers and distributors with whom it maintains strong and long-standing relationships. This has resulted in strong distribution capabilities with extensive market penetration across all key distribution channels in the Philippines, a country with unique logistical challenges owing to it being an archipelago. According to Nielsen, for the year ended December 31, 2020, *Lucky Me!* achieved a 93% numeric distribution and 99% weighted distribution of the store universe in the Philippines for instant noodles, respectively. In the same period, MNC's biscuits product line achieved a numeric distribution rate of 83% and weighted distribution rate of 98% in the Philippine market.

In 2020, MNC achieved an 87% fill rate (percentage of customer demand that is met by immediate stock availability, without backorders or lost sales). In 2020, the fill rate decreased to 87% compared to 94% in 2019 as it saw a spike in product demand, particularly for instant noodles products, during the COVID-19 outbreak. However, inventory turnover ratio improved in 2020 to 30 times. See *"— APAC BFB Business — Recent Developments — COVID-19 pandemic"* on page 229.

MNC's main distribution channels are traditional trade, modern trade and community distribution network. The table below sets forth Philippine net sales value information and contribution of each distribution channel to total Philippine net sales for the periods indicated:

	For the year ended December 31,						
	2018		2019		2020		
	(₱ in billions, unless otherwise indicated)						
	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales (U.S.$ in millions)
Traditional trade	19.6	42.4	20.3	42.0	22.4	44.2	451.4
Modern trade	23.5	50.9	24.9	51.6	26.3	51.9	530.0
Community distribution network	0.2	0.4	0.4	0.8	0.0	0.0	0.0
Others [(1)]	2.9	6.3	2.7	5.6	2.0	3.9	40.3
Total	46.2	100.0	48.3	100.0	50.7	100.0	1,021.7

Notes:

(1) *Others comprises online sales, foodservice, scrap sales exports to distributors and orders from employees, local government, importers and retailer agents.*

For the year ended December 31, 2020, in the Philippines, MNC had more than 200,000 customers in traditional trade and more than 3,000 customers in modern trade. It had more than 900 brand experts in its community distribution network.

In Thailand, for the year ended December 31, 2020, 52% of net sales was generated through modern trade and traditional trade. The balance was from export and B2B customers. The Group's Thailand operation's traditional trade distribution network covers 285,000 customers through distributors. Its modern trade distribution network consists of over 1,000 local chains and independent stores through its own sales team and 20 national key accounts through distributor partners. There are more than 40 export and B2B customers.

Traditional trade

Traditional trade refers to local supermarkets, groceries, wet markets and *sari-sari* stores (traditional family-run neighborhood stores selling assorted grocery items and other general merchandise). Recognizing that traditional trade is a critical sales channel in the Philippines, and that sales to these stores have relatively low order values and high geographic dispersion, MNC developed a unique cost-plus performance incentive scheme for distributors in the traditional trade channel based on the following principles: (i) to enhance customer visibility and customer service capabilities; and (ii) to expand outlet network. MNC uses an activity-based convention to determine the operating and capital expenditure budgets corresponding to its distributors. The appropriate discount to be given by MNC to the distributors is determined by how the distributors actually performed against their respective budgets. Such discount-incentive scheme ensures that the MNC's distributors focus on their key role of driving numeric distribution into *sari-sari* stores even in underdeveloped and unprofitable areas.

In addition to the aforementioned unique monetary cost-plus incentive scheme, MNC also offers other administrative support to its distributor partners. For instance, it helps build human resources functions by guiding distributors on recruitment pools and strategies. In partnership with third-party human resource service providers, it provides standard online exams to distributors in the recruitment process. It also provides soft-skills and technical trainings to distributors' middle management personnel and the middle management personnel are entitled to receive performance bonuses in addition to the regular incentives. Yearly recognition is awarded for top distributors, supervisors and salesmen. For distributors that achieve over 100% in the quarterly performance assessment, it also provides cash incentives to such distributors.

As of December 31, 2020, traditional trade accounts were serviced exclusively through a network of over 30 distribution partners in 48 provinces and districts. With this network, *Lucky Me!* products are distributed to more than 200,000 outlets, reaching more than one million *sari-sari* stores across the Philippines. Nine distribution partners worked exclusively with MNC in 2020. Distribution partners are required to provide for their own distribution facilities and transportation vehicles. The average distributorship tenure is 15 years.

As of December 31, 2020, MNC had 308 booking salesmen and 481 van salesmen forming part of the traditional trade distribution chain. Booking salesmen cater to repeat orders from established local supermarkets and grocery stores. Van salesmen sell MNC's products to *sari-sari* stores directly from their vans. These sales are 'missionary' in nature and are aimed at seeding its products throughout the country to drive brand awareness and market share penetration. As of December 31, 2020, distributors provided 385 vans exclusively for MNC's products.

MNC's Traditional Trade Department sales team comprises a Sales Director, Area Sales Managers and Channel Distribution Managers. One Channel Distribution Manager is assigned to each distribution partner and is based on the premises of the distributor to liaise with the distributor on day-to-day operations. Each Channel Distribution Manager reports to the Area Sales Managers who in turn report to the Sales Director.

Modern trade

Modern trade refers to large retailers, national wholesalers and convenience store chains. MNC seeks to be the "Category Captain" at national supermarket chains across its instant noodles and biscuits product lines. In order to become the Category Captain, it aims to be the market leader in these product categories and a trusted supplier of the retail chain. In addition, it looks to have a track record of successful management.

As of December 31, 2020, MNC had 18 national key accounts, 28 local key accounts and 39 independent chain stores. Top 20 accounts constituted over 80% of MNC's net sales generated from modern trade in 2020. MNC directly covered 3,000 retail outlets and these distribution centers in turn cover more than 7,500 retail outlets.

For many years, MNC has been selected as a preferred supplier for a number of its key national and local modern trade customers. For example, in 2019, it was named Outstanding Business Partner and achieved an Excellence in Account Management recognition from NCCC Supermarket. Fisher Supermarket named it for Customer Service Level of the Year and Prince Retail named it for Most Crisis-Supportive Partner and Most Reliable Key Account Manager. Furthermore, Citimart selected MNC as Supplier of the Year (Food Multinational Category) and Key Accounts Manager of the Year (Food Multinational Category) and it achieved Excellence in Marketing for Highest Growth and In-house Promotions recognition from Citimart.

MNC's Modern Trade Department sales team comprises a Sales Director, Key Account Managers and Field Marketing Service Agents. Key Account Managers serve and lead negotiations with two to six chain customers on purchase orders, supply chain coordination and promotions. Field Marketing Service Agents visit stores in their respective responsible areas to ensure complete product assortment, product availability and execution of in-store promotions as well as to oversee the performance of merchandisers.

Community Distribution Network

Community distribution network refers to alternative distribution platforms catering to end consumers, including dealers that recruit, train and develop small entrepreneurs and brand experts that distribute MNC's products to households and end consumers. As of December 31, 2020, MNC had approximately 20 dealers and more than 900 independent brand experts within the community distribution network in various cities in Luzon, the largest and most populous island in the Philippines.

Online

MNC sells its products through e-distributors (distributors who market their products in online platforms) who, in turn, supply goods to major e-commerce operators such as Lazada, Shopee Mall, Zalora and Beauty MNL. MNC witnessed a 17-time increase in online sales for the year ended December 31, 2020, compared to the prior year as a result of the COVID-19 pandemic and the corresponding changes in customer behavior. Given the FMCG nature, sales of the APAC BFB Business are high in volume but low in value. MNC still deems its total online sales as insignificant compared to its total net sales.

As of the year ended December 31, 2020, online partners increased from five to nine partners and MNC's inventories for online channel increased by three times from 53 items to 157 items. Although at an early stage to explore market opportunities in the online market, MNC sees this as another channel to augment its customer reach and underscore its stance to make all of its products readily available in all distribution channels. It plans to expand online sales by collaborating with retail outlets it already has established relationships with within the traditional trade and modern trade segments.

International Distribution

The APAC BFB Group currently exports its instant noodles and biscuits products to more than 50 countries globally, particularly to Asia, the Middle East, and North America. The APAC BFB Group seeks to expand its geographic footprint in Asia and Africa with new distribution partners in markets where it does not have a presence. This includes new distribution channels to Taiwan, Japan, Myanmar and Vietnam to which it expects to commence exports later in 2021.

The APAC BFB Group sees its exports as a high growth segment. In line with this vision, in the second quarter of 2020, it took an initial step to transition its export production and management of the *Lucky Me, Kid-O, Bingo, Monde,* and *Nissin* brands to Thailand. After the transition, the export net sales from Thailand operation showed a double-digit year-on-year growth. The APAC BFB Group aims to utilize its strong innovation capabilities to augment the growth of the export segment. To this end, it has developed products that are healthier, more sustainable, and cost competitive. For example, in 2020, it commenced the operation of the high-speed air flow technology in the first production line for its instant noodles.

Customers

MNC has only one chain store customer which accounts for more than 10% of total net sales for the year ended December 31, 2020. Thus, the loss of any of its customers would not have a material adverse effect on its operations.

MNC uses its standard distribution contract with all of its distributors and modern trade customers. The general payment term for modern trade customers is 30 to 45 days while outlets have standard operating procedures in place for invoicing. Distributors have two payment options: (i) cash on delivery at a discount of 1.15%; and (ii) prompt payment with a discount of 1% at a 15-days credit term. Contract terms are generally set for one year but are shortened to six months if distributors do not perform well for two consecutive quarters.

Customer	Type of Business	Location	Distribution Channel
Puregold	Price club	Nationwide	Modern
Suy Sing	Grocery distribution company	Nationwide	Modern
Robinson's	Mall-based supermarket / Community-based supermarket	Nationwide	Modern
Sanford Marketing Corporation	Community-based supermarket	Nationwide	Modern
Super Value Inc	Mall-based supermarket	Nationwide	Modern
Philippines Seven Corporation (7-eleven)	Convenient store	Nationwide	Modern

Customer	Type of Business	Location	Distribution Channel
SYL Hermanos Trade Center	Consumer goods distribution company	Iloilo	General
Gaisano Grand	Mall-based supermarket	VisMin	Modern
Ultra Mega	Grocery goods wholesaler and supermarket chain	Luzon	Modern
MC Mpire	Consumer goods distribution company	Greater Manila Area	General

Sales and Marketing

MNC's sales and marketing function are overseen by sales leaders who have an average of more than 20 years of experience with MNC.

Lucky Me! markets itself to provide comfort and joy in everyday life. The pricing of *Lucky Me!* products has premium pricing over other mainstream brands in most of the product lines, except for noodle cups where it adopts a selective parity pricing approach. Multinational players such as Nissin and Nongshim priced their products at some premium compared to *Lucky Me!*

Within the biscuit product group, the brands' propositions are as follows: *SkyFlakes* — a trusted and reliable fueler, *Fita* — sweet and salty flavors at play that make grown-up life fun, *M.Y. San Grahams* — empowers sweet success through desserts made easy, *Nissin* — turns little snacking occasions into happy and meaningful moments, and *Bingo* — enabling sweet connections. The pricing of MNC's biscuit product group sees a premium in pricing compared to most mainstream local brands.

The proposition of other brands are as follows: *Dutch Mill* — nourishing families in the happiest ways, *Mama Sita* — delicious heirloom recipes made accessible, and *Monde* — bakeshop quality products made more accessible. Pricing of MNC's yogurt drinks sees a premium of 20% to 30% compared to lower-tiered products while cultured milk sees a premium of 10% over other leading brands on cost per millilitre basis. Pricing of *Mama Sita's* products commands approximately 20% premium compared to other brands. *Monde* packaged cakes enjoy at least 40% price premium over competitors' products on cost per gram.

MNC believes that strong brand recognition and reputation have been instrumental to the success of its business. According to Kantar, in 2020, *Lucky Me! Instant Mami* and *Lucky Me! Pancit Canton* are recognized as iconic brands among their core targets, a status which only 4% of the brands in the world can claim. It rates above market average on a number of key market propellers, namely, meaningfulness, differentiation and salience.

MNC promotes and enhances its brands' awareness through various marketing and advertising methods. The customer touchpoints that it uses before the purchase stage include (i) a variety of media such as television, radio programs, social media platforms (such as YouTube, Facebook, Instagram and Twitter), its website and program sponsorship and (ii) brand activation roadshows such as school tours, sampling handouts and other on-the-ground promotion events. Customer touchpoints at the purchase stage include in-store promotions and loyalty programs. In addition, it partners with celebrities and other key influencers for media or online collaborations and events.

Competition

The APAC BFB Group believes that future growth in all product groups will be driven by (i) meaningful product innovation and renovation centered around health and wellness, premiumization and hyper-convenience, (ii) extensive coverage of distribution, (iii) impactful store execution and (iv) having brand purposes that consumers can connect with.

Instant Noodles

According to Nielsen, in 2020, the APAC BFB Group continued to be the frontrunner in the instant noodles product group, holding market share in retail sales value in the Philippines of 68%.

Competitors and competing brands in the instant noodles category in the Philippines include Payless, Quickchow and Homi, which compete mainly on pricing, Nissin which competes on authentic Japanese flavor, and Nongshim which competes on Korean-style noodles. See "*Industry Overview*" on page 104.

In recent years, although still in a market-leading position, the APAC BFB Group has witnessed decreases in wet pouch and dry pouch market shares. For wet pouch, Nissin has accumulated higher market share with its strong seafood line. For dry pouch, Payless has gained increased market share with its value-for-money "Payless Extra Big" proposition. However, the APAC BFB Group believes that it will still be able to maintain its top-line position in the instant noodles category. Among other strategies, it aims to launch a new line of products that it believes are competitive and in line with the evolving market trends, increase distribution and conduct promotional campaigns to achieve increased consumption of, and loyalty to, its brands.

Biscuits

In 2020, the APAC BFB Group's biscuits product group continued to maintain its market-leading position in the Philippines. It held retail sales market share of 30.5% in the Philippines, according to Nielsen.

The APAC BFB Business ranked first in two of the four key segments in the biscuits product group in the Philippines, with 57% of retail sales market share for crackers and 21% of retail sales market share for cookies. It also ranked second in wafers retail sales market share and third for sandwiches.

Competitors and competing brands in the Philippines in the biscuit category include Rebisco which competes on pricing and heritage, Universal Robina which competes on pricing and taste, Nabati and Mayora which compete on taste and innovation, and Mondelez which competes on premium quality. See "*Industry Overview*" on page 104.

In recent years, although still in market-leading position in the Philippines, the APAC BFB Group has witnessed some downward trends in its wafers market shares due to increased competition from Nabati and Mayora, who were successful in developing a new pricing point. To fortify its market-leading position, the APAC BFB Group aims to focus on brands where it has ability to win further market shares and where gross margin is richer. It will also look to increase *M.Y. San Grahams* dessert usage among end consumers and entrepreneurs, leverage the *SkyFlakes* brand which is well-known in the market for crackers to push sales of *SkyFlakes* sandwiches, launch new products particularly in the wafer and sandwich product lines and increase distribution and store visibility.

In Thailand, the APAC BFB Group faces competition from Universal Robina, Glico, Mondelez, Thai President and Mayora, which generally compete on product range, new product development and investment in marketing campaigns. Mondelez also leverages on the strengths of its global brands such as Oreo and Ritz. The APAC BFB Group believes that it has an extensive traditional trade coverage in Thailand with more than 750 vans engaged in sales activities. It also believes that its digital-based consumer communication and in-store investments are more effective and efficient compared to the other players. Thailand operation also has a number of great-tasting and healthier products in the pipeline which it believes will appeal to consumers. To demonstrate, for the year ended December 31, 2020, the APAC BFB Business' net sales of biscuits in Thailand outperformed the overall Thailand biscuits market, witnessing over 9% growth compared to a negative 6.1% growth in local biscuit sales, according to Nielsen.

Others

Certain products of the APAC BFB Group's Others category continued to rank as a market leader in terms of retail sales market shares in 2020. These are *Dutch Mill* for yogurt drinks and *Mama Sita's* for oyster sauce.

Competitors and competing brands in yogurt drinks include Nestle which leverages its Bear Brand milk to banner immunity benefit, Alaska which targets older customers and also leverages on its milk product to market its yogurt drinks, Sta. Maria which targets premium and older customers and other players who compete on pricing. Yakult is the main competitor for cultured milk competing on its heritage as a highly functional and specialized digestive drink. Yakult continued to maintain its strong product accessibility through a combination of traditional and direct sales.

For culinary aids, competitors and competing brands include Nutri-Asia and Ajinomoto which compete on pricing, Unilever and Nestle which are established global brands in seasoning and flavorings, and Del Monte which promises taste and nutrition. However, these brands are better known for other products, rather than the products that *Mama Sita's* leads in. See "*Industry Overview*" on page 104.

In the bakery segment where low-price products dominate, *Monde* entered the packaged cake market by pioneering the mid-price segment. It was the first in the Philippine market to offer bakeshop-quality cakes and pastries in retail supermarkets. Its first product, the Filipino favorite *Classic Mamon*, was the first of its kind introduced to the Philippine market. Since its launch, *Monde* has built a superior brand image leveraging on premium taste and high quality at an accessible price. *Monde*'s pricing is approximately 40% cheaper in total price per unit than products of leading bakery brands such as Red Ribbon and Goldilocks, but premium to other packaged cakes such as Big E and Rebisco.

Employees

As of December 31, 2020, MNC had 4,846 employees. It anticipates that it will have approximately 5,200 employees in the ensuing 12 months. The table below sets forth a breakdown of the MNC's employees by function as of the same date.

Functions	Number of Employees
Operations (manufacturing and supply network)	4,327
Sales and Marketing (sales, brands, insights, media)	250
Support (human resources and personnel, IT, procurement, legal, communications)	128
Accounting and Finance	97
Product Development	36
Corporate	8
Total	**4,846**

MNC believes employees are its key asset that is critical to its success. It places great importance on attracting, developing and retaining qualified employees through the implementation of various professional and personal development programs. These programs include "Road 20" aiming to foster skills and expedite development progress for new joiners, Competency Development Plan aiming to develop key competencies to drive results, technical training programs in partnership with DualTech for personnel in the production units, other trainings that promote development and cross-functional exposures and institutional behavioral programs. Leadership training programs include Gallup Strengths Coaching Programs for personnel in the supervisor and leader roles and Transforming Leadership Capacity Program for leadership development. MNC also provides educational assistance for employees who would like to pursue further studies.

MNC also regularly engages its employees in conferences and trainings for them to acquire, develop and enhance relevant skills and competencies in line with its business objectives. For instance, it offers seminars to retail sales teams, which look after the key accounts covering the following topics: category management; storytelling; coaching and mentoring; retail; and consumer trends. These training seminars typically span two to three days and offer relationship building opportunities with purchasing agents of the customers. In addition to technical trainings that it offers based on each employee's work functions and seniority, general training sessions cover, among others, health, safety and regulatory matters.

MNC believes that the compensation packages and benefits it offers to employees are competitive. MNC established a provident fund with all of its employees. In the Philippines, both the employees and MNC contribute to the fund monthly at rates of 1% to 20% of the employee's basic salary. After three years, it matches the employee contribution up to 3%.

As of December 31, 2020, 15% of MNC's employees belonged to and were represented by one trade union, namely the Confederation of Filipino Workers. As of the same date, MNC had a five-year collective bargaining agreement with its employees expiring on April 30, 2021. It anticipates that it will submit a proposal for the new collective bargaining agreement in March 2021 and the negotiation with the employee union will take place in April 2021.

MNC is not involved in any material labor dispute which would have a material effect on its business, financial condition and results of operations, and it is not aware of any circumstances that would give rise to such labor disputes. MNC has not experienced any labor strikes. However, MNC has experienced pickets by employees of its third-party service providers, labor disputes, and threats to strike. Those pickets were settled and did not materially affect MNC's operations, neither did the threats to strike materialize. See *"Risk Factors — Risks relating to the Group and its Business in General — Labor disputes, including grievances which may lead to strikes, or changes in employment laws may disrupt the Group's operations and could adversely affect the Group's business, results of operations, financial condition and prospects"* on page 62.

Insurance

The APAC BFB Group obtains and maintains adequate and comprehensive insurance coverage on its properties, assets and liability exposures pertaining to its business operations in such amounts and covering such risks as it deems appropriate and as may be usually carried by other companies engaged in the same or similar activities and owning similar properties in the geographical areas where it operates. As of December 31, 2020, APAC BFB Group's insurance coverage included, but was not limited to, the following: property all-risk; comprehensive general liability with products liability and contamination cover; and coverage for directors' and officers' liability. It believes the insurance coverage it currently has is in line with industry standards and regulatory requirements and is adequate for it to conduct normal business operations. In the Philippines, the APAC BFB Group is currently exploring the possibility of procuring business interruption insurance.

Corporate and Social Responsibility

The APAC BFB Group is committed to conducting its business with responsibility and integrity and giving back to its community. Since its inception, the APAC BFB Group has engaged in a number of social activities. For instance, it partnered with organizations actively involved in community development in bringing aid to local areas stricken by natural calamities such as GMA Kapuso Foundation, ABS-CBN Lingkod Kapamilya Foundation and the Philippine Red Cross. It also recognizes the significance of building human resources in paving the way for growth and development of the nation and, for almost ten years, it has been extending support to its employees' children through scholarship grants. In 2015, 100 academically exceptional students in the elementary and high school levels were granted financial aid by the APAC BFB Group. The APAC BFB Group also created the Pack and Play Program to help parents in guiding their children towards holistic wellness. For many years, it has partnered with 400 elementary schools nationwide to promote an active lifestyle and to develop social, mental, and emotional skills among children. Through physically engaging activities and fun lessons, children learn about proper exercises, right conduct, and good habits. In addition, in light of the COVID-19 pandemic, the APAC BFB Group supplied nearly 100,000 cases of its products as donation to the public.

Information Technology

The APAC BFB Group has historically invested in information technology infrastructure and systems development to increase its competitiveness and to improve the effectiveness and efficiency of its operations. MNC, MNUK, MNTH and Monexco International Ltd. use SAP Enterprise Resource Planning System (**SAP ERP**). SAP ERP is an integrated system which gives the APAC BFB Group the following key advantages: (i)

improved product costing process and monitoring; (ii) comprehensive inventory management; (iii) higher cycle service level through production scheduling and raw material requirements planning; (iv) redundant process elimination and (v) achievement of single source of truth. MNSPL and MNNZ use XERO cloud-based Enterprise Resource Planning System.

MNC, MNUK, MNTH and Monexco International Ltd. utilize SAP Business Intelligence (**SAP BI**) System for data analysis of sales transactions by its modern trade distributors. SAP BI System allows the APAC BFB Group to collect information and generate data analytics and reports and equip itself with the necessary information for better operation management and decision-making. MNC, M.Y. San, MNUK and MNTH use Anaplan Integrated Business Planning (**IBP**) System in its business planning and budgeting procedures.

In addition to the comprehensive general information technology infrastructure and systems, the APAC BFB Group also utilizes various cutting-edge technologies to stay ahead of its peers. For example, it believes it was the first consumer food manufacturer to deploy artificial intelligence for new product development in the Philippines and Thailand. The technology compares the taste profile of the new products being developed by the APAC BFB Group to preferred taste profiles of certain consumer groups in the market. This technology allows the APAC BFB Group to evaluate consumers' taste profile more accurately and more efficiently.

Intellectual Property

MNC holds a number of trademarks, trade names, service marks and other intellectual property rights, including trade secrets on technology know-hows and formulae in connection with its production processes. It considers these intellectual property rights, particularly trademarks, crucial to its operations as brand name recognition is a key factor in the success of its business.

MNC has registered its trademarks in the relevant jurisdictions in which it operates. As of December 31, 2020, it has over 10 trademarks, trade names and service marks registered in over 25 countries and territories. The Company's subsidiaries procure and renew the relevant trademark registrations for their respective brands. Depending on the jurisdiction, trademarks generally are valid as long as they are used and/or registered. MNC has pending trademark registrations but generally expects that these will be granted. MNC does not expect that a denial of any pending trademark registration will have a material adverse effect on its operations.

In addition to trademark registration, MNC relies on a combination of (i) patent, trademark, copyright and trade secret laws in various countries, (ii) employee and third-party non-disclosure agreements and (iii) policing of third-party misuses and infringement to protect its intellectual properties. MNC has made considerable efforts to protect its portfolio of intellectual property rights, including trademark registrations. See "*Risk Factors — Risks relating to the Group and its Business in General — The Group may not be able to protect its intellectual property adequately, which may harm its brands and its business*" on page 58.

As of the date of this Prospectus, MNC owns the exclusive rights to the following active trademarks used in the business and registered with the Philippine Intellectual Property Office:

Mark	Application Number	Registration Number	Nice Classification(1)	Date filed	Expiry Date
Monde Voice and Device	4-2005-003475	4-2005-003475	30	April 18, 2005	October 2, 2026
Nissin Bread Stix & Device (in color)	4-2001-005400	4-2001-005400	30	July 26, 2001	June 8, 2026

Mark	Application Number	Registration Number	Nice Classification[1]	Date filed	Expiry Date
Monde with Sun Design	4-2000-010478	4-2000-010478	30	December 22, 2000	April 14, 2025
Lucky M (Device)	4-2011-008747	4-2011-008747	30 and 35	July 26, 2011	April 12, 2022
Lucky Me! & Device	4-2001-009553	4-2001-009553	30	December 21, 2001	April 16, 2024
Monde Nissin & Design	4-2002-003635	4-2002-003635	30	May 06, 2002	February 10, 2025
Cubee (in stylized form)	4-2002-007347	4-2002-007347	30	August 30, 2002	October 30, 2024
Itnok (in stylized form)	4-2002-007343	4-2002-007343	30	August 30, 2002	March 11, 2024
Monde Sumo	4-2004-010156	4-2004-010156	30	October 28, 2004	July 09, 2027
Monde Voiz & Logo	4-2005-003477	4-2005-003477	30	April 18, 2005	October 09, 2026
Bingo	056249	4-1991-056249	30	November 25, 1991	October 06, 2023
Eggnog (in stylized form)	4-2005-009137	4-2005-009137	30	September 15, 2005	February 26, 2027
Lucky Me (in stylized form)	049053	049053	30	June 29, 1989	August 17, 2030
Fita Spreadz (wordmark)	4-2006-001428	4-2006-001428	30	February 08, 2006	August 20, 2027
Kid-O (wordmark)	4-2006-004228	4-2006-004228	30	April 21, 2006	May 28, 2027
Dip-Dip	050205	4-1989-050205	30	June 29, 1989	March 13, 2021
Voice (wordmark)	4-2007-008068	4-2007-008068	30	July 27, 2007	January 14, 2028
Lucky Me! & Device	4-2011-007907	4-2011-007907	29	July 06, 2011	November 03, 2021

Mark	Application Number	Registration Number	Nice Classification(1)	Date filed	Expiry Date
Kilig Sa Sweet!	4-2014-006692	4-2014-006692	30	May 27, 2014	January 01, 2025
Kilig Sa Sweet!	4-2014-006691	4-2014-006691	30	May 27, 2014	January 01, 2025
Black Swan (wordmark)	4-2014-008581	4-2014-008581	29, 30, 32, and 40	July 9, 2014	June 11, 2025
Kainang Pamilya Mahalaga	4-2008-010764	4-2008-010764	30	September 05, 2008	January 01, 2030
Cookie Feels	4-2018-019503	4-2018-019503	30 and 35	October 29, 2018	April 14, 2029
Black Swan Logo	4-2016-002281	4-2016-002281	29, 30, 32 and 42	March 3, 2016	May 26, 2026
Sakura (wordmark)	4-2009-012857	4-2009-012857	30	December 16, 2009	January 6, 2031
One One Logo	4-2012-007064	4-2012-007064	30	June 13, 2012	April 14, 2023
Monde Special Mamon Logo	4-2012-007065	4-2012-007065	30	June 13, 2012	February 16, 2023
PanPan	4-2015-000534	4-2015-000534	30, 35 and 43	January 13, 2015	January 1, 2026
Fita (wordmark)	4-2010-006288	4-2010-006288	30	June 11, 2010	March 10, 2031
Cookie Hugs	4-2018-019504	4-2018-019504	30 and 35	October 29, 2018	April 4, 2029
Namnam Stylized wordmark	4-2011-009146	4-2011-009146	30	August 04, 2011	September 22, 2022
Monde Special Mamon	4-2010-008619	4-2010-008619	30	August 06, 2010	April 28, 2021
Let Eat Be	4-2015-007644	4-2015-007644	29	July 10, 2015	February 11, 2026
Nissin Wafer	4-2011-003253	4-2011-003253	30	March 22, 2011	September 08, 2021
Nissin Butter Coconut	4-2011-003252	4-2011-003252	30	March 22, 2011	September 08, 2021
Namnam (wordmark)	4-2011-009141	4-2011-009141	29	August 04, 2011	April 26, 2022
Lucky Me (wordmark)	4-2011-007527	4-2011-007527	29 and 30	June 28, 2011	October 20, 2021
Lucky M	4-2011-008746	4-2011-008746	30 and 35	July 26, 2011	November 14, 2023
Soup Booster (wordmark)	4-2011-009145	4-2011-009145	29	August 04, 2011	July 19, 2022
Soup Booster	4-2011-009144	4-2011-009144	30	August 04, 2011	April 26, 2022
Lucky Me! Lite	4-2012-001364	4-2012-001364	30	February 3, 2012	July 4, 2023
Nissin & Bulls Eye Device	4-2000-002098	4-2000-002098	30	March 17, 2000	July 01, 2030
Monde	4-2012-004451	4-2012-004451	30	April 12, 2012	September 28, 2022
Susi	4-2013-006932	4-2013-006932	29, 30, 31 and 43	June 14, 2013	April 17, 2024

Mark	Application Number	Registration Number	Nice Classification[1]	Date filed	Expiry Date
Lucky Me! Mami	4-2013-009282	4-2013-009282	30	August 05, 2013	May 01, 2024
Namnam	4-2014-002713	4-2014-002713	30 and 43	March 04, 2014	February 23, 2027
Monde	4-2015-004856	4-2015-004856	30	May 07, 2015	June 20, 2026
Nissin Logo	4-2019-006221	4-2019-006221	30	April 12, 2019	November 07, 2029
AIRWOK	4-2019-006222	4-2019-006222	30	April 12, 2019	July 21, 2029
Araw Ihaw	4-2016-006803	4-2016-006803	30 and 41	June 15, 2016	September 30, 2026
Jellyvit	4-2015-013180	4-2015-013180	29, 30, and 32	November 13, 2015	May 26, 2026
Nissin Crunchers	4-2016-002678	4-2016-002678	30	March 11, 2016	June 30, 2026
Nudie & Character Logo	4-2014-014347	4-2014-014347	29, 30, and 32	November 19, 2014	April 16, 2025
Peckish	1227109	1227109	30	August 12, 2014	August 12, 2024
Nudie	4-2014-014345	4-2014-014345	29, 30, and 32	November 19, 2014	April 16, 2025
Nudie Character Logo	4-2014-014346	4-2014-014346	29, 30, and 32	November 19, 2014	April 16, 2025
*	4-2011-005476	4-2011-005476	30	May 12, 2011	December 13, 2022
Happy Time	4-2011-005401	4-2011-005401	30	May 11, 2011	December 09, 2021
Lion's Cream Crackers	4-2011-004834	4-2011-004834	30	April 27, 2011	August 9, 2022
Mixed-Up	4-2011-05402	4-2011-05402	30	May 11, 2011	October 27, 2021
M.Y. San Danish Style Butter Cookies Mark & Device	4-2011-5400	4-2011-5400	30	May 11, 2011	October 01, 2021
Monde M.Y.San Corporation	4-2011-04833	4-2011-04833	30	April 27, 2011	February 07, 2023

Mark	Application Number	Registration Number	Nice Classification[1]	Date filed	Expiry Date
SkyFlakes Fit & Device	4-2011-04831	4-2011-04831	30	April 27, 2011	March 22, 2022
Windmill	4-2014-12726	4-2014-12726	30	October 14, 2014	May 14, 2025
SkyFlakes Crackers	4-2001-000673	4-2001-000673	30	January 31, 2001	September 18, 2026
SkyFlakes	4-2015-006743	4-2015-006743	30	June 18, 2015	April 29, 2026
SkyFlakes	4-2017-00014030	4-2017-00014030	30	August 13, 2017	March 15, 2028

Notes:

(1) *Nice Classification is a system of classifying goods and services for the purpose of registering trademarks. It was established by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Agreement). Nation signatories to the Nice Agreement, including the Philippines, employ the designated classification codes in their official documents and publications.*

Properties

As of the date of this Prospectus, MNC does not own any land and does not have any principal properties that are subject to a mortgage, lien, or encumbrance. As of December 31, 2020, the APAC BFB Group had eight production facilities (including a new manufacturing facility under construction in Malvar, Batangas) and 12 warehouses in the Philippines, eight of which are leased.

In 2020, the construction of the new facility in Malvar, Batangas commenced. ₱550 million, ₱208 million, ₱738 million, ₱552 million and ₱32 million of the ₱2,080 million total Capital Expenditure budget for the Malvar, Batangas facility will be used for site development and noodles building, distribution center warehouse, process equipment, utilities/ancillaries, and project design and engineering, respectively.

The properties that the Company owns and leases are in good condition, save for ordinary wear and tear. None of its material leases is expiring as of the date of this Prospectus.

A summary of the properties owned by the Company and used in the business in the Philippines is set out below:

Type of Property Owned	Location	Approximate Gross Floor Area (sq.m)
Building	Balibago, Sta Rosa, Laguna	120,000
Building	Carmelray Industrial Park 2, Calamba, Laguna	60,300
Building	Alveira, Porac, Pampanga	26,000
Building	Light Industry & Science Park 4, Malvar, Batangas*	25,000*
Building	Sto. Domingo, Cainta, Rizal	24,000
Building	Casuntingan, Mandaue, Cebu	34,200
Building	Carmelray Industrial Park 1, Calamba Laguna	10,700
Building	Bunawan District, Davao	13,900
Building	Carmelray Industrial Park 1, Calamba, Laguna	10,700
Building	Brixton, Mandaluyong	7,700

Note:

* Currently under construction. The figure is plan-based estimate.

A summary of the properties leased and used in the Group's businesses in the Philippines is set out below:

Lessor	Lessee	Location	Approximate Leased Area (sq.m.)	Expiration Date	Renewal	Type of Property	Accounting Treatment
Monde Land, Inc.	MNC	Sta. Rosa, Laguna	80,678	January 31, 2058	Renewable for 25 years	Factory	ROU asset[2]
Infitus Corporation	MNC	Brixton, Pasig City	2,361	March 31, 2031	N/A	Office	ROU asset
BDO Rental, Inc.	MNC	Brgy, Dolores and Banaba, Porac, Pampanga	47,091	December 29, 2030	N/A	Factory	ROU asset
Monde Land Inc.	MNC	Sta. Rosa, Laguna	61,199	May 20, 2052	Renewable for 25 years	Factory	ROU asset
Monde Land Inc.	MNC	Sta. Rosa, Laguna	29,279	November 1, 2037	Renewable for 25 years	Factory	ROU asset
Monde Land Inc.	MNC	Mandaue, Cebu	24,598	January 31, 2058	Renewable for 25 years	Factory	ROU asset
Monde M.Y. San Corp.	MNC	Carmelray Industrial Park 2, Calamba, Laguna	4,500	December 31, 2030	N/A	Factory	ROU asset
Ayala Land, Inc.	MNC	Ayala Avenue, Makati City	1,343.21 sq.m. office space, 6 executive parking lots	October 31, 2023	N/A	Office	ROU asset
Monde Land Inc.	MNC	Brgy. Ilang, Davao City	42,153	January 1, 2037	Renewable for 25 years	Factory	ROU asset
DMCV Prime Land Development Corp.	MNC	Iloilo City	3,320	November 30, 2022	No automatic renewal	Warehouse	ROU asset
Science Park of the Philippines, Inc.	MNC	Malvar, Batangas	66,008	June 22, 2095	Automatic renewal of 25 years	Factory	ROU asset
Science Park of the Philippines, Inc.	MNC	Malvar, Batangas	19,050	June 22, 2095	Automatic renewal of 25 years	Factory	ROU asset
Colorado Shipyard Corp.	MNC	Mandaue, Cebu	1,605	March 10, 2030	Renewable for 10 years	Warehouse	ROU asset
Philippine Rigid Construction Corp.	MNC	Mandaue, Cebu	1,605	March 10, 2030	Renewable for 10 years	Warehouse	ROU asset
Monde Rizal Properties, Inc.	MMYSC	Cainta, Rizal	36,977	October 1, 2051	Renewable for 25 years	Factory	ROU asset
Monde Rizal Properties, Inc.	MMYSC	Cainta, Rizal	32,735	July 1, 2052	Renewable for 25 years	Factory	ROU asset
Monde Rizal Properties, Inc.	MMYSC	Calamba, Laguna	66,573	April 1, 2027	Renewable for 25 years	Factory	ROU asset
Juan Miguel V. Yulo Enterprises	Sarimonde Foods Corporation	Carmelray Industrial Park 1, Canlubang, Calamba City, Laguna	33,058	January 1, 2037	No automatic renewal	Factory	ROU asset
N&G Realty and Development Corporation	MNC	Cagayan de Oro	4,500	May 31, 2021	No automatic renewal	Warehouse	Outright rent expense

Note:
1 Rental rates as of the date of this Prospectus. Rental rates of most properties are subject to escalation in the future. Escalation will occur every 1 to 3 years at rates of 3% to 8%.
2 "ROU" refers to right of use.

Permits and Licenses

The Company and its Philippine subsidiaries have obtained, and are in the process of obtaining, all material permits and licenses from the relevant and appropriate local government units and regulatory agencies in relation to their continued business, as confirmed by Adarlo Caoile and Associates Law Firm in a legal opinion dated March 2, 2021.

Set out in Annex B of this Prospectus are the material permits and licenses necessary for MNC to operate its business in the Philippines, the failure to possess any of which would have a material adverse effect on its Philippine business and operations. MNC believes that it has all material permits and licenses necessary for it to operate its business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal. With respect to material permits and licenses which are pending renewal, MNC expects to obtain such renewal in due course.

Quality and Safety Assurance

As part of its goal to continue providing better products to its consumers, MNC prides itself on not having had any mandatory regulatory product recall. The APAC BFB Group employs world-class quality and food safety management systems. It implements the industry-wide accepted Current Good Manufacturing Practices in all respects of its manufacturing operations, including personal hygiene and sanitization, equipment maintenance, production and process control, integrated pest control management and documents and records control.

The APAC BFB Group develops built-in quality control principles in three dimensions:

- *process and product standards* — process and product standards are clearly defined and the APAC BFB Group regularly reviews and validates these standards;

- *quality assurance and control*— production teams perform quality control and quality assurance teams verify product quality with a drive toward total quality management; and

- *continuous improvement* — the APAC BFB Group's problem-solving teams are tasked to analyze customer feedback to improve product and process.

The APAC BFB Group has put in place product recall procedures, internal traceable Good Manufacturing Practices audit, supplier audit, halal audit, certification audit, trade traceability audits (mock product recalls) and crisis management procedures. Labelling, nutrient claims and product registration by the APAC BFB Group follows regulatory requirements. The APAC BFB Group also designates the Hazard Analysis Critical Control Point (known as HACCP) for prevention of unintentional physical, biological and chemical hazards.

The following table sets forth quality management accreditation the APAC BFB Group has received as of December 31, 2020.

Valid Until	Accreditation	Related Facilities
Feb 2021	(SGS) ISO 22000: 2005	Davao
Mar 2021	(SGS) Food Safety System Certification (FSSC) 22000 Version 4.1	Cebu
Jun 2021	(SGS) Food Safety System Certification (FSSC) 22000 Version 4.1	Santa Rosa
Jun 2021	(SGS) Food Safety System Certification (FSSC) 22000 Version 4.1	Cainta
Jul 2021	(IDCP HALAL) HALAL Product Certificate	Santa Rosa
Aug 2021	(FDA) Good Manufacturing Practice	Cebu
Aug 2021	(IDCP HALAL) HALAL Product Certificate	Cainta
Sep 2021	(IDCP HALAL) HALAL Product Certificate	Cebu

Nov 2021	(FDA) Good Manufacturing Practice	Davao
Nov 2021	(IDCP HALAL) HALAL Product Certificate	Calamba 1
Jan 2022	(FDA) Good Manufacturing Practice	Santa Rosa
Jan 2022	(FDA) Good Manufacturing Practice	Cainta
Apr 2022	(FDA) Good Manufacturing Practice	Calamba 1
Oct 2022	(SGS) HACCP Codex Alimentarius	Cainta
Oct 2022	(SGS) Good Manufacturing Practice	Cainta
Feb 2023	(SGS) FSSC 22000 Version 5	Calamba 1
Mar 2023	(Prime) HALAL Certification	Santa Rosa
Dec 2024	(FDA) Good Manufacturing Practice	Calamba 2

Sustainability

The APAC BFB Group operates with an aspiration to improve the well-being of people and the planet, and create sustainable solutions for food security. To this end, the APAC BFB Group has anchored its operations on seven sustainability principles:

- **Governance** – to be an ethical organization that embraces good corporate governance and upholds integrity, accountability and trust.

- **Local communities** – to grow responsibly where it operates by sharing economic opportunities with the local communities and supporting community development programs that create livelihoods and uplift the lives of all.

- **Products** – to provide nutritious, accessible, sustainable and great-tasting food options that enhance a consumer's well-being.

- **Environment** – to innovate its end-to-end processes and adopt the best available technologies toward efficient use of limited resources, low carbon operations and zero waste to nature in collaboration with partners.

- **National economy** – to promote equitable flows of value to its stakeholders and create opportunities in its domestic market as it creates positive impact in the supply chain.

- **Future readiness** – to continually develop its integrated environmental, social and economic business strategies to actively shape the future of the food industry in a way that benefits the people and the planet and yields profits.

- **People** – to create an inclusive and fair workplace that fosters a caring and collaborative culture, empowers people to reach their full potential and promotes sustainability as a way of life.

These principles have in turn guided the APAC BFB Group to prioritize six strategic areas of actions as follows:

- **Pivoting to a healthier and better portfolio**

  The APAC BFB Group has taken various initiatives of pivoting towards a healthier and better portfolio. This strategic priority is reflected in its product innovations. For example, *Lucky Me!* aims to set the market precedent for healthy noodles. In 2008, the APAC BFB Group made an unprecedented move to offer instant noodles with no artificial preservatives added in *Lucky Me!* wet pouch and cups. It replaced synthetic antioxidants with tocopherol in its frying oil for instant noodles. Since 2010, the APAC BFB Group has been using green tea extract as a natural antioxidant in frying oil for its instant noodles products. This sets it apart from its peers that use

artificial or synthetic antioxidants such as butylated hydroxytoluene, butylated hydroxyanisole or tertiary butylhydroquinone which are lower in cost but are believed to be less healthy. In 2020, the APAC BFB Group embarked on an initiative to reduce the sodium contents of its noodle products by up to 2% per year in the next coming years. In the same year, the APAC BFB Group began to employ high-speed airflow technology in one new *Lucky Me!* noodles line to substantially reduce the oil content while maintaining taste and consumer enjoyment. It aims to generate a significant portion of net invoice sales from noodles products that adopt this technology going forward. The APAC BFB Group also aims to move towards using RSPO certified palm oil.

In the late 1990s, the APAC BFB Group joined forces with the Philippine Department of Health to help alleviate malnutrition by fortifying its noodles with essential vitamins and minerals. Most *Lucky Me! Instant Mami* and *Lucky Me! Pancit Canton* variants contain one-third of the daily requirements of vitamin A or iron, serve as a source of protein and provide other nutrients such as vitamin C and iodine. It is the APAC BFB Group's intention that *Lucky Me!* products fortified with essential nutrients should contribute to a significant portion of the APAC BFB Group's net sales in the Philippines. It also endeavors to derive a majority of the APAC BFB Group's net sales in the Philippines from biscuits, packaged cake and beverage products that meet the Philippine Department of Education's guidelines on healthy food choices.

- **Moving toward a resource efficient and zero waste value chain**

  The APAC BFB Group endeavors to produce zero waste to the environment and achieve 100% recyclable packaging. The APAC BFB Group is a member of the Philippine Alliance for Recycling and Material Sustainability (**PARMS**) which shares the APAC BFB Group's goal to have zero waste to nature. Together with PARMS, it seeks to invent solutions such as recycling and using alternative materials so that it can divert all of post-consumer wastes from its products to other value chains in the future. Responsible waste segregation and disposal are also observed on a daily basis at its facilities.

  The APAC BFB Group joined hands with various organizations as part of its waste recovery efforts. For example, it collaborated with GUUN Co. Ltd., a waste management partner, to recycle plastic waste for conversion to fluff fuel. The APAC BFB Group built a guardhouse and pathway at Pampanga manufacturing facility using Eco-bricks made from a mixture of cement and shredded plastic laminates supplied by Green Antz Builders. It also partnered with and invested in a project of the University of the Philippines-Mindanao to develop a biodegradable packaging material.

  To date, the APAC BFB Group has implemented various packaging optimization initiatives for cost savings while also reducing its plastic packaging footprint. *Lucky Me! Go Cups* shifted from non-recyclable to 100% recycle-ready packaging in 2017. Prior to the onset of the COVID-19 pandemic, the APAC BFB Group prepared to launch a redesigned multi-pack for its instant noodles to eliminate individual wrappers and reduce plastic packaging by approximately 60%. It intends to resume this initiative in the future. In Thailand, the APAC BFB Group resized and redesigned its biscuits product packaging to be tighter and adjusted the thickness of the packaging. This brought the cost of raw materials down by approximately 50% in 2019 compared to the previous year.

  Furthermore, the APAC BFB Group values water as a basic need. It ensures efficient usage of water in all areas of production and helps reduce wastewater discharge. It also built rainwater capture systems in some of its manufacturing facilities.

- **Transitioning to a low carbon value chain**

The APAC BFB Group's goal is to reduce greenhouse gas emissions from its manufacturing operations. In line with its mission to improve the well-being of the planet, it ensures efficient use of energy resources in its manufacturing operations. Each facility of the APAC BFB Group in the Philippines has a heat recovery system which recycles steam condensate generated during production. Where possible, it seeks to reengineer the cooling systems in its facilities and implement energy reduction plans for equipment use to drive energy conservation efforts.

The APAC BFB Group continues to find solutions to reduce its carbon footprint in its operations. To this end, it is shifting more towards renewable energy. The Santa Rosa facility has solar panels that, at peak capacity, are able to provide up to 1.3 megawatt of solar power. In supply and distribution processes, the APAC BFB Group seeks to build a fuel-efficient supply network and emphasizes responsible sourcing across all functions in its supply chain. The APAC BFB Group monitors its greenhouse gas emissions closely and aims to reduce greenhouse gas intensity across its value chain. The APAC BFB Group intends to reduce the greenhouse gas intensity of its facilities by entering into a green sourced power purchasing agreement, improving productivity (by increasing output using the same or less utilities) and switching to lower carbon fuel for steam production.

- **Scaling Up Inclusive Distribution**

The APAC BFB Group has established a community distribution network, an innovative distribution channel comprising dealers that recruit, train and develop small entrepreneurs and brand experts that distribute the APAC BFB Group's products to households and end consumers. The APAC BFB Group intends to strengthen its community distribution network by providing a livelihood to its brand experts, increasing the number of brand experts and institutionalizing effective rewards and retention programs. It will empower brand experts by providing enabling tools to foster customer loyalty.

In addition, the APAC BFB Group seeks to promote financial inclusion among its *sari-sari* store partners by providing access to microfinance services. In 2020, the Group partnered with a Philippine bank and TrueMoney Philippines (TrueMoney) in relation to the provision of microfinance credit to over 1,000 *sari-sari* stores. Under the tripartite agreement, a Philippine bank provides credit for the purchase of the APAC BFB Group's products. TrueMoney, a financial technology company and remittance network, releases the cash payments via bank-to-bank transactions to the APAC BFB Group's distributor partners in relation to the purchases made by the enrolled *sari-sari* store customers of such distributors. This arrangement enables the APAC BFB Group's *sari-sari* store partners to purchase additional stocks of the APAC BFB Group's products on affordable credit. The APAC BFB Group facilitates and monitors these arrangements and provides incentives such as loyalty points and onboarding product freebies to encourage its *sari-sari* store partners to use this microfinance facility. The APAC BFB Group aims to increase the number of its *sari-sari* store partners with access to financial credit in the future.

- **Fostering an Inclusive Environment through Better Workplace Practices**

The APAC BFB Group aims to uphold decent work standards. It is the APAC BFB Group's goal to provide all employees with compensation that is above the minimum wage, access to social safeguards and opportunities for competency development. To achieve these, the APAC BFB Group intends to continue to (i) ensure an inclusive workplace, (ii) offer opportunities for career growth, (iii) provide social safeguards, (iv) work with labor providers with similar management practices and that share the same values, and (v) encourage social dialogue within the workplace.

- **Enabling Employees to Put the APAC BFB Group's Sustainability Aspirations into Action**

The APAC BFB Group seeks to engage its workforce on sustainability and address societal challenges relevant to their context. The APAC BFB Group intends to engage employees on sustainability through education and training as well as activities and initiatives. The APAC BFB Group also encourages all employees to contribute to sustainability through personal conduct and through a structured feedback system to encourage initiatives and process them for further development.

To comply with environmental regulations, MNC has established a waste water treatment facility and warehouse for hazardous waste and installed chimney scrubbers, among other things, at its manufacturing facilities. In general, MNC does not incur materially significant or extraordinary costs in respect of its compliance with environmental laws. As of the date of this Prospectus, the APAC BFB Group is in compliance with applicable health, safety and environmental laws in all material aspects.

Recent Developments

COVID-19 pandemic

The World Health Organization declared COVID-19 a pandemic in March 2020. As of December 31, 2020, there had been more than 80 million confirmed cases in the world, as reported to the World Health Organization. All of the countries in which the APAC BFB Group operates have reported confirmed cases and have taken measures in varying degrees to contain the spread, including social distancing measures, community quarantine, suspension of operations of non-essential businesses and travel restrictions. These measures have not only disrupted businesses but also have had a material and adverse effect on industries and local, regional and global economies, including the economies of the Philippines and Thailand where the APAC BFB Group mainly conducts its APAC BFB Business, and in turn, this has affected its business.

At the early onset of the COVID-19 pandemic in the Philippines, the APAC BFB Group faced the difficult task of ensuring the health and welfare of its employees while ensuring food supply, especially noodles pouches and crackers, which are considered staples during tough times. The APAC BFB Group adapted quickly and both objectives were achieved without compromises. The APAC BFB Group stayed in touch with the local communities, related industries, its customers, its suppliers, and its people. The management team gathered daily to swiftly align decisions on the rapidly evolving situation. It also immediately deployed infection control processes in all of its facilities. Overall, the APAC BFB Group did not experience a material disruption in its production process and supply chain.

The APAC BFB Group focused on producing and delivering its products in response to the spike in demand and quickly adapted to optimize production with a skeleton crew to achieve utmost efficiency. In addition, it focused on collaborating internally and with its suppliers and customers to ensure food supply to the Filipinos. It was also able to recruit volunteers to work an extra shift on multiple Sundays to produce donation goods to unprivileged communities in collaboration with local government units and NGO partners. By the third week after the Luzon-wide lockdown in the Philippines, the APAC BFB Group was able to increase its noodles production capacity to 100%. The APAC BFB Group believes its multiple plants enabled its operations to remain resilient and to have scaled operations in multiple locations in the Philippines during the COVID-19 pandemic. In addition, the ASRS of the APAC BFB Group allowed it to operate safely and maintain sales growth. These factors were complemented by the ability of the APAC BFB Group to operate efficiently despite having just approximately 50% of its manpower at the APAC BFB Group's facilities in the Philippines.

In particular, recognizing the strength of its brands and a deep understanding of consumer behavior of reverting back to core, the APAC BFB Group pivoted to producing mainly the core product lines of *Lucky Me! Instant Mami*, *Lucky Me! Pancit Canton*, *SkyFlakes* and *Fita* which enabled mass production by its suppliers and its plants, and allowed for by pallet and half-pallet shipments to its customers. This decision paved the way for by supply assurance from suppliers to customers, while substantially reducing the workforce on site. As a result, the APAC BFB Group was able to minimize disruption and increase the production of instant noodle pouches by over 20% during the lockdown period from March to June 2020. The APAC BFB Group learned continually and

quickly by benchmarking externally and intensively, allowing for the resumption of the rest of the categories sooner.

For the year ended December 31, 2020 when the COVID-19 pandemic was widely spread, there was flat to declining demand for biscuits, beverages and packaged cakes. The Group believes that this is due to these products being less of a priority during a period of weak economy. In addition, as biscuit and other snack-type products are generally purchased for lunch boxes and between-meals and on-the-go consumption, there were fewer occasions for use of these products while the general public was in lockdown and relied more on home cooking. The APAC BFB Group, however, saw a spike in sales volume of instant noodles and culinary aids, especially oyster sauce, in the same period as these are perceived to be staple products. Given that *Lucky Me!* is seen as a comfort food and *Mama Sita's* oyster sauce is a versatile product, the APAC BFB Group believes that the public tends to resort to these products during tough times. The Government also sourced instant noodles from the APAC BFB Group for donation to the public. To leverage on this trend and boost consumption, the APAC BFB Group has been educating the public on the many ways instant noodles can be enjoyed. This includes showing how consumers can use *Lucky Me! Instant Mami* to make a nutritious breakfast by adding readily available household items such as milk, eggs and vegetables and launching *Lucky Me! Pancit Canton* Easy PC Recipes to demonstrate quick ways to add a twist to the product, such as *Pancit Canton* Omelette and Cheesy *Pancit Canton*. The APAC BFB Group also communicated the unique value proposition of *Mama Sita's* oyster sauce to elevate the taste of everyday dishes at only ₱6 per sachet.

For the year ended December 31, 2020, online sales saw a 17-time increase in net sales value, compared to the previous year. The APAC BFB Group believes that its community distribution network added a competitive advantage to its customer outreach during the COVID-19 pandemic, as some of its competitors did not have channels to connect with customers given the social distancing restrictions. As many of the products that the APAC BFB Group offers are considered as staple items or components of staple items, the APAC BFB Group believes that its business is resilient to income changes and adverse economic conditions brought about by the COVID-19 pandemic. Nevertheless, it has ramped up its sales and marketing efforts to increase visibility of its brands.

During the COVID-19 pandemic, the APAC BFB Group prioritizes safety of its employees and provides various support to ensure the well-being of its workforce. For example, the Company installed sanitization equipment such as alcohol gel dispensers throughout its facilities, handed out masks, allowed employees to take special leaves and provided isolation facilities for suspected cases. The APAC BFB Group encourages employees to care for their health and implemented the "Commit to COVID-19 free" program which provides incentives to employees who do not contract COVID-19 throughout the relevant period.

Legal Proceedings

The APAC BFB Group is involved in administrative, legal and arbitration proceedings and claims from time to time arising in the ordinary course of business. These involve purported breaches of contractual terms and alleged violations of laws and regulations, none of which are expected to have a material adverse effect on its business operations.

As of the date of this Prospectus, the APAC BFB Group is not involved in any litigation, arbitration or claims (including personal injuries, employee compensation or product liability claims) of material importance and the APAC BFB Group is not aware of any litigation, arbitration or claims of material importance pending or threatened against it that would have a material adverse effect on its business, financial condition or results of operations.

MEAT ALTERNATIVE BUSINESS – QUORN FOODS

HISTORY AND MILESTONES

The story of Quorn Foods began in the 1960s with the objective of Joseph Arthur Rank (**Lord Rank**) to address food shortages at a time when the population was growing rapidly and amid mounting concern that traditional agriculture could not keep up with the demand for food. Lord Rank's big idea was to convert waste carbohydrates from his bakeries into protein. His idea has proven to be farsighted and critical to the future health of mankind and the planet.

Certain key dates and milestones for Quorn Foods' business are set forth below.

1964	Lord Rank and Professor Spicer investigated the feasibility of a process to turn starch into protein using fermentation. Their objective was to find a new, sustainable source of protein that is safe for consumption by humans, high in nutritional value and tastes great.
1967	A fungus microorganism, *fusarium graminearum* (subsequently reclassified as *fusarium venenatum*), was identified as the most suitable for further research owing to its filamentous structure, viewed as the key to addressing the texture challenge of a meat-free protein.
1974	Mycoprotein was named by the U.K. Food Standards Committee.
1982	Cauldron Foods was formed (the original name was "Samplefield Limited" which was changed to "Cauldron Foods Limited" in 1983).
1983	Mycoprotein was approved by the U.K. Ministry of Agriculture.
1985	The first *Quorn* products – two savory pies – were launched in the U.K. Certificate of free sale was issued to Quorn Foods.
1988	Tim Finnigan joined Marlow Foods Limited as Senior Food Technologist.
1990-1992	*Quorn* products received approvals for sale in Sweden, Belgium and the Netherlands.
1993	AstraZeneca (known as Zeneca at that time) acquired Marlow Foods Limited (known by its trading name "Quorn Foods") as part of the de-merger of Imperial Chemical Industries.
2002	*Quorn* products were first sold in the U.S.
2003	Montagu Private Equity acquired Marlow Foods Limited from AstraZeneca.
2005	Premier Foods plc acquired Marlow Foods Limited (June) and Cauldron Foods Limited (October). Marlow Foods Limited and Cauldron Foods Limited were combined to create the meat alternative business unit trading under *"Quorn Foods,"* with Marlow Foods Limited being the legal trading entity.
2006	Marlow Foods Limited purchased the Methwold facility to provide in-house tertiary production capability for frying and packing of *Quorn* and *Cauldron* products.
2008	Quorn Foods initiated a project to commission the third fermenter at Belasis.
2010	*Quorn* products were first sold in Australia.
2011	Exponent Private Equity acquired Marlow Foods Limited from Premier Foods plc.

2013	Peter Harrison was appointed as Quorn Foods' Group Marketing Director.
2015	Quorn Foods' third fermenter commenced operations, enabling additional mycoprotein production capacity.
	MNC acquired Marlow Foods Limited from Exponent Private Equity.
2016	Tim Finnigan was promoted to Chief Scientific Advisor.
	James Harvey was appointed as Quorn Foods' Chief Financial Officer.
2018	Quorn Foods received approval for the construction of the fourth fermenter.
	Phil Watson was appointed as Quorn Foods' Commercial Director.
2019	Mark Taylor was appointed as Quorn Foods' Supply Chain Director.
2020	Marco Bertacca took up his role as Quorn Foods' Chief Executive Officer.
	Quorn Foods set up the Fermentation Development Center in Belasis with the objective to accelerate the protein research program.
	Stephanie Jochems (Group Strategy Director), Tim Ingmire (Research and Development Director), Tongwen Zhao (Director for People and Planet) and Charles Groves (Supply Chain Director) joined Quorn Foods, strengthening the management team.
2021	Judd Zusel was appointed as President of Quorn Foods Inc., a subsidiary of Marlow Foods Limited.
	Quorn Foods expects that the fourth fermenter will come into operation to augment production capacity.

MYCOPROTEIN TECHNOLOGY

The primary ingredient in all *Quorn* products is mycoprotein. Mycoprotein is a fungi-based, fermented protein that is high in protein, high in fiber, low in saturated fat, and contains no cholesterol. It has a natural ingredient base that does not include artificial colors, masking agents or preservatives and is non-GMO. Mycoprotein has the natural texture and fibrosity that mimics meat. It is grown through the process of fermentation which utilizes significantly less land and water compared to the production of animal protein sources. Quorn believes that its mycoprotein technology better aligns with the health and environmental concerns which are the main drivers of consumers switching to meat alternatives and category buyers selecting products to carry.

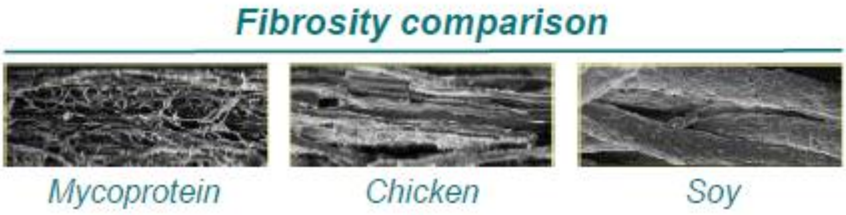
Taste and Texture

The building block of mycoprotein is *fusarium venenatum*, a member of the fungi family, comprised of tiny fibers (mycelium) that are naturally rich in intrinsic protein and dietary fiber. Quorn Foods believes the natural fibrosity of mycoprotein means its texture is closer to meat than any other plant-based protein and does not require texture additives. In addition, the ability of mycoprotein to absorb flavors enables it to fit in a large variety of meat dishes. The flavors that Quorn Foods offers include hot and spicy, garlic and herb, and salt and pepper, among others. See *"— Meat Alternative Business — Quorn — Products and Markets"* on page 236.

According to an internal study prepared by Quorn Foods (the underlying test for which was conducted in January 2021 by an external party on behalf of Quorn Foods), *Quorn Crispy Nuggets* is the leading coated chicken style product in the U.K. and holds a 75:25 preference over the next-best branded offering, in in-home product

placement taste tests. *Quorn* products also received favorable comments from culinary magazines attesting to their chicken-like texture. An article from The Daily Meal (January 2020) highlights the launch of 'Unreal wings' which are made with *Quorn* and quotes "if we hadn't known ahead of time that these weren't made from real chicken, we probably wouldn't have been able to tell the difference." A recent article in another culinary magazine featured *Quorn*'s *Meatless* "Chicken" *patties* and *Quorn*'s *Meatless Nuggets* as their test kitchen favorite and stated that the texture of *Quorn*'s *Meatless* "Chicken" *patties* is "appetizingly similar to chicken."

The below graphic illustrates microscopic images evidencing that fibrosity of mycoprotein is a closer match to that of chicken than soy.



Health

Mycoprotein is a whole food, not an extracted isolate, which delivers superior nutrition compared to other plant-based protein[205]. Mycoprotein is high in protein, high in fiber, low in saturated fat, and contains no cholesterol[206].

Mycoprotein contains all nine essential amino acids in quantities which provide a protein quality score (Protein Digestibility Corrected Amino Acid Score (**PDCAAS**) ratio) superior to that of beef, chicken, soya, and pea-protein isolate. In clinical studies, mycoprotein has been shown to yield health benefits including building muscles faster than milk protein[207], lowering cholesterol[208] and containing a unique combination of fibers that may play a key role in gut health[209]. Diets rich in mycoprotein have been shown by Oxford University in the World Economic Forum[210] to offer important benefits with regard to lowering projected population mortality.

In addition, a growing body of scientific research on health benefits shows that mycoprotein increases satiety and helps regulate glycaemia and insulinaemia. All of Quorn Foods' mycoprotein-based products are non-GMO and mycoprotein has low allergenicity of approximately 1 per 24.3 million servings, whereas up to 0.3% of adults are allergic to soy[211].

All of Quorn Foods' mycoprotein-based products are non-GMO. Based on the Nutri-score, a nutrition label widely used in Europe for categorizing food products by nutritional value, Quorn Foods believes that, in the U.K., more than 70% of its *Quorn* products are graded at the highest score of "A." Similarly, in the U.S., Quorn Foods believes that more than 90% of its *Quorn* retail products are graded "A." Quorn Foods classifies over 80% of its *Quorn* products sold in the U.K. as a source of fiber and protein.

Sustainability and Economics

Mycoprotein is a sustainable source of protein. According to a report published in 2018 by the Carbon Trust, a not-for-profit company providing specialist support on sustainability, the production of mycoprotein-based *Quorn Mince* results in only 7%, 11% and 8% of beef's carbon, land and water footprint, respectively. Similarly, the production of mycoprotein-based *Quorn Pieces* results in 29%, 36% and 34% of chicken's carbon, land and water

205 Derbyshire and Ayoob, 2019
206 Derbyshire and Ayoob, 2019, Coelho et al., 2020 and Denny et al., 2008
207 Monteyne et al., 2020(a) and Monteyne et al., 2020(b)
208 Coelho et al., 2020
209 Harris et al., 2019
210 Oxford University, 2019
211 Bottin et al., 2016, Finnigan et al., 2019 and Katz et al., 2004

footprint, respectively. The process of making mycoprotein is "net protein positive" which means that the process results in higher protein content in the food system than where the process begins[212].

The *Quorn* mycoprotein production process is scalable as it can use multiple carbohydrate sources. Researches are being conducted on the use of food waste, such as rice husks and wheat chaff, as a source of fermentable carbohydrate feed source. Quorn Foods believes using food waste alternative sources will result in a lower incremental land burden over the long term.

Quorn Foods believes its brand *Quorn* is the first global meat alternative brand to obtain independent certification on the carbon footprint of its operations and products and the reductions thereof. Since 2012, Quorn Foods has partnered with the Carbon Trust to examine the carbon footprint of its products using a "farm to fork" approach – from the ingredients it uses; power used, processes employed and wastes produced in its factories; manufacturing and transportation of packaging materials; and transportation across its supply chain. From the beginning of 2020, Quorn Foods started to label its products with a unique carbon footprint certified by the Carbon Trust and, as of December 31, 2020, the carbon footprint of approximately 50% of its U.K. product portfolio had been certified by Carbon Trust, equating to approximately 80% of the volume sold by Quorn Foods.

Fermentation Process

Quorn Foods is the only large-scale commercial provider of mycoprotein. The fermentation process required to produce mycoprotein at scale requires significant capital investment and importantly a unique know-how which Quorn has derived from over 30 years of operating experience in order to maximize yield and efficiency and thus optimize the process economics. In addition, any new competing fungal strains will require regulatory approvals before being sold to the public. Quorn continues to collaborate with the Food Chemicals Codex and the U.S. Food and Drug Administration (**U.S. FDA**) in the creation of a monograph that will set out the compliance regulations and standards with regard to the key characteristics and substantial equivalence of mycoprotein for potential new entrants.

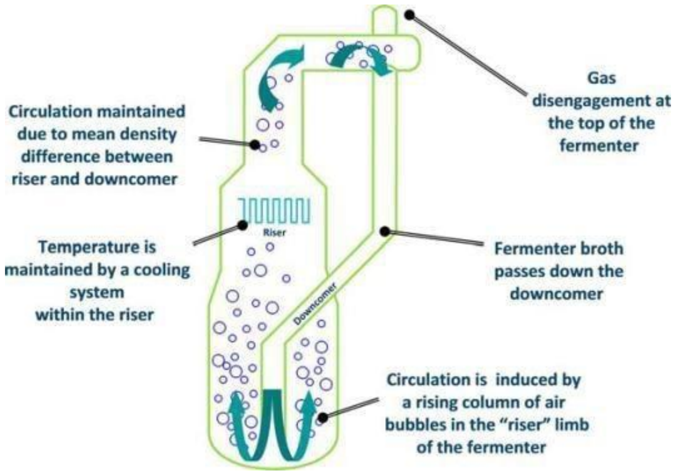
Air Lift Fermentation

In the early stage of development, Rank Hovis McDougall (**RHM**) used stirred tank fermentation to scale up the output volume of mycoprotein. However, fungi is by nature more viscous than bacterial cultures[213], and more difficult to mix. The problem of mixing was solved after RHM entered into a joint venture with Imperial Chemical Industries, a British chemical company, in 1984 and air lift fermentation technology was adapted and developed.

The air lift fermentation process relies on the introduction of air at the base of the fermenter column to create millions of microbubbles. These microbubbles rise up to the full height of the fermenter column at which point the gas disengages, causing a density difference. Liquid thereafter forms and falls to the base of the fermentation column. This process then repeats. It was an elegant solution because not only did it solve the mixing problem but the lack of internal parts inside the vessel preserved the structure of the hyphae (critical to achieving texture) and reduced the likelihood of contamination.

The below graphics show the process of air lift fermentation that is used for Quorn Foods' mycoprotein production and Quorn Foods' fermenter used for mycoprotein production.

[212] Finnigan et al., 2016
[213] Righelato, 1979 (as cited in Finnigan et al., 2016)

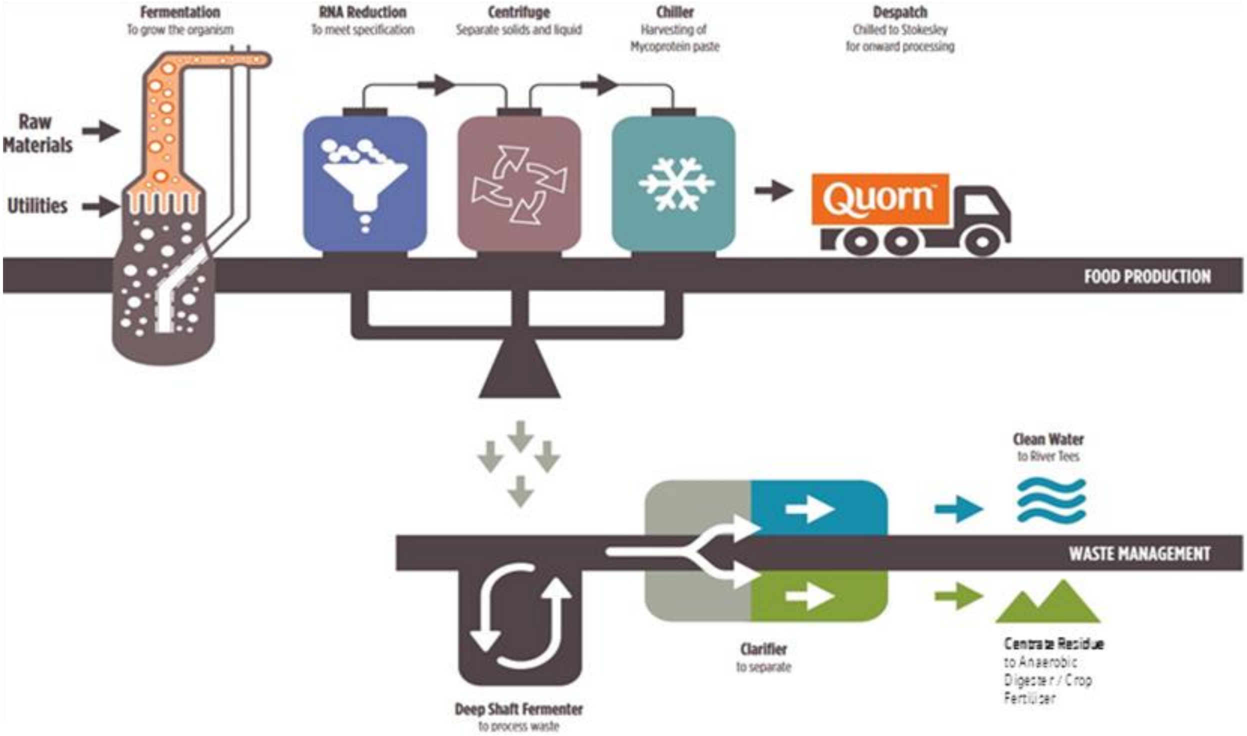


In a continuous-flow culture, growth of the fungus can be controlled by regulating the supply of any nutrient[214]. However, the growth is usually limited by the concentration of carbon and energy sources (such as glucose) which are present when there are excess nutrients. Continuous-flow cultures serve to prevent fluctuating conditions inherent in batch cultures[215] and enable perpetual exponential growth of the organism to be maintained at a specific growth rate. In practice, mycoprotein fermentation runs for approximately six weeks and yields approximately five times more productivity than that which could be achieved by a series of separate batch fermentations[216]. Through an air lift fermentation process, it is possible to grow a few milligrams of pure culture into over 1,500 tons of mycoprotein before the fermenter run is terminated.

Quorn Foods utilizes the air lift fermentation technology in its production of mycoprotein. In the air lift fermentation process, *fusarium venenatum* for mycoprotein production is grown under strictly defined conditions. Temperature, pH, nutrient concentration, dissolved oxygen, and growth rate are maintained at a constant rate throughout the process[217]. The fusarium organism is grown on its own with no other living organism or contaminate. The fermentation comprises food-grade carbohydrate together with other ingredients that are of food-grade quality and purity and appropriate for the growth of *fusarium venenatum*. The liquid and gaseous feeds are sterilized prior to addition to the fermenter. Quorn Foods' fermentation facilities and fermentation process are designed to prevent contamination. Its fermenters are approximately 50 meters in height and hold approximately 155 cubic meters of liquid.

The diagram below sets forth the mycoprotein production process of Quorn.

[214] Trinci, 1992
[215] Pirt, 1975 (as cited in Finnigan et al., 2016)
[216] Sadler, 1988 (as cited in Finnigan et al., 2016)
[217] Trinci, 1991 (as cited in Finnigan et al., 2016)



In Quorn Foods' fermentation process, the fermenter continually produces broth which is heat-shocked to reduce the ribonucleic acid content. The broth is then centrifuged to produce mycoprotein paste. The mycoprotein is immediately chilled for use in the manufacture of food products.

The following table summarizes the patents Quorn Foods holds regarding its manufacturing processes as of December 31, 2020.

Manufacturing Related Patents

Area	Granted	Pending
Ribonucleic Acid	2	3
Fermenting	-	1
Forming	1	24
Myco Milk	-	2
Extrusion	-	2

PRODUCTS AND MARKETS

Quorn Foods produces and sells two categories of food products marketed under two brands: (i) mycoprotein-based products marketed and sold under the *Quorn* brand, and (ii) plant-based products marketed and sold under the *Cauldron* brand. *Quorn* and *Cauldron* products are healthy and environment-friendly alternative protein sources and are suitable for various cooking methods. *Quorn* and *Cauldron* products are suitable for a variety of different meal occasions and needs, such as breakfast, lunch, dinner, snacking and food-on-the-go.

Quorn Products

Quorn offers an extensive range of mycoprotein-based vegan and vegetarian products, some of which are gluten-free. *Quorn* products offer an alternative for the key meat types: beef, pork, poultry, and fish. Its products cover all key shop aisles: frozen, chilled, and food cupboard. Quorn Foods products are suitable for different meal

occasions and needs, including breakfast, lunch/dinner, snacking and food-on-the-go. The versatility of its products allows consumers to create their favorite meals in the comfort of their homes. For example, *Quorn* Fishless Breaded and Battered Fillets, *Quorn* Fishless Finger and *Quorn* Fishless Scampi present vegan options for British classic dishes and snacks. *Quorn* Sausages, *Quorn* Sausage Patties and *Quorn* Vegetarian Bacon make nourishing breakfast ingredients. *Quorn* also offers cooking ingredients such as *Quorn* mince and *Quorn* pieces.

The below shows certain *Quorn* key products and their nutritional facts.

Nutrition	Quorn Chicken Burger	Quorn Mince	Quorn Pieces
Primary focus	Chicken	Beef Mince	White Meat
Protein (g)	12	13	14
Protein Digestibility – Corrected Amino Acid Score (PDCAAS)	0.99	1.00	1.00
Calories (kcal)	205	92	99
Fat(g)	8.6	1.7	2.6
Saturated Fat (g)	1.0	0.5	0.8
Fiber (g)	6.6	7.5	7.4
Sugar (g)	1.1	0.1	0.6
Carbohydrate (g)	17.0	2.3	1.7

Notes:
(1) *Nutritional figures are based on 100g of product.*

The table below sets forth the categories and characteristics of various *Quorn* products in the U.K.

	Frozen		Chilled		Food Cupboard
Vegan					
	Vegan Pieces	Vegan L&P Fishless Fillets	Vegan Spicy Tortilla Escalope		None in the U.K.
	Vegan Fillets	Vegan H&S Burger	Vegan Chorizo bites		
	Vegan Fishless Fingers	Vegan Nuggets	Vegan Peri Bites		
	Vegan S&V Fishless Fillets	Vegan Ultimate Burger	Vegan Deli Slices (Ham, Chicken, Pepperoni) (gluten free)		
			Vegan Makes Amazing Peri Strips (gluten free)		
			Vegan Makes Amazing Turkish Kebab (gluten free)		
Vegetarian					
	Balls	Quarter Pounders	Best of British Sausage	Tantalizing Tikka	Biryani Bowl
	Breaded Mini Fillets	Sausage Patties	Classic Burgers	Picnic Eggs	Chilli Bean Bowl
	Burgers	Sausages	Emmental Escalope	Cocktail Sausages	Lentil & Chickpea Bowl
	Buttermilk Bites	Southern Fried Bites	Pesto & Mozzarella Escalope	Southern Fried Poppers	Mediterranean Wonder Grains
	Cheese & Broccoli Escalopes	Southern Fried Burger	Sausages	Sweet Chilli Bites	Mexican Wonder Grains
	Chicken Burger	Chicken & Bacon Lattice	Sausage Rolls	Breaded Poppers	Thai Wonder Grains
	Crispy Fillets	Chicken & Leek Pie	Steak Slice	Southern Fried Poppers	Salt & Pepper Strips
	Crispy Nuggets	Steak & Gravy Pie	Cottage Pie	Deli Slices (Turkey & Stuffing. Spinach & Red Pepper)	Smoky Fajita Strips
	Garlic & Herbs Fillets	Cottage Pie	Lasagne	Roast Sliced Fillets (gluten free)	Spicy Tikka Strips

Frozen		Chilled		Food Cupboard
Garlic & Mushroom Escalopes	Lasagne	Mince (gluten free)	Peppered Steaks (gluten free)	
Hot & Spicy Bites	Tikka & Rice	Pieces (gluten free)	Deli Slices (Bacon, Ham, Chicken) (gluten free)	
Mince (gluten free)	Bacon Slices (gluten free)			
Pieces (gluten free)	Steak Strips (gluten free)			
Fillets (gluten free)	Roast (gluten free)			

In the U.S., Quorn Foods offers a range of *Quorn* products as set forth in the following table.

	Frozen		Chilled
Vegan			
	Hot & Spicy Patties	Chipotle Cutlet	None in the U.S.
	Buffalo Dippers	Fillet	
	Pieces	Fishless Sticks	
Vegetarian			
	Nuggets	Parmigiana	Grounds/Mince
	Grounds/Mince	Cheesy Nuggets	Beef Steak
	Patties	Beef Strips	Vegetarian Turkey Deli (Gluten-Free)
	Pesto Cutlet	Wings	Vegetarian Strips (Gluten-Free)
	Cheese Cutlet	Vegetarian Roast (Gluten-Free)	
	Lasagna	Vegetarian Pieces (Gluten-Free)	
	Gourmet Burger Balls	Vegetarian Fillet (Gluten-Free)	

In Europe, *Quorn* products are sold in Belgium, Luxembourg, Denmark, Finland, the Republic of Ireland, the Netherlands, Norway, Sweden, France, Germany and Switzerland. Quorn Foods offers a similar but smaller range of *Quorn* products as sold in the U.K. Products sold in Switzerland are co-branded under the *Cornatur* brand when sold in Migros stores.

In Southeast Asia, *Quorn* products are sold in the Philippines and Singapore. *Quorn* product offering in Southeast Asia includes Burgers, Escalopes, Fishless Fingers, Nuggets, Sausage Patties, Sausages, Southern Fried Bites and Swedish Style Balls as well as food ingredients such as fillets, mince and pieces with vegan and gluten-free options.

In Australia and New Zealand, Quorn Foods offers Fish Free Fillets, Gourmet Burger, Nuggets, Sausage Rolls and Schnitzels as well as food ingredients such as fillets, mince and pieces with vegan and gluten-free options.

Cauldron Products

Cauldron plant-based food is another product category of Quorn Foods' meat alternative products. *Cauldron* products consist of tofu, falafel, and vegetarian sausages.

- Tofu: *Cauldron* offers three varieties of tofu products: (i) Marinated Tofu Pieces — tofu marinated with a hint of garlic and ginger; (ii) Teriyaki Tofu Pieces — tofu infused with *tamari* soya sauce; and (iii) an extra firm Organic Tofu Block with no flavor added;

- Falafel: *Cauldron* offers two varieties of falafel products: (i) Moroccan Falafels — a combination of chickpeas, agave, apricots and a small amount of chili, mixed together with fragrant North African spices; and (ii) Middle Eastern Falafels — chickpeas and cooked with Middle Eastern style herbs and spices; and

- Vegetarian sausage: *Cauldron* vegetarian sausages are primarily made of soya protein, potato starch, wheat gluten, other plant extracts, egg white and seasonings. *Cauldron* offers two varieties of vegetarian sausages: (i) Vegetarian Lincolnshire Sausages based on a British recipe with sage and parsley seasoning; and (ii) Vegetarian Cumberland Sausages flavored with black pepper and rosemary.

Cauldron products are sold in the U.K., and the Republic of Ireland. All *Cauldron* products are suitable for vegetarians and *Cauldron* tofu and falafel are suitable for vegans. *Cauldron* products offer alternative sources of protein which complement *Quorn* products. *Cauldron* products are offered in chilled form and Quorn Foods sees an opportunity to grow further in the U.K. chilled food category.

The tables below set forth Quorn Foods' net sales in its key markets and their contribution to total net sales for the period indicated, respectively.

	For the year ended December 31,						
	2018		2019		2020		
	(£ in millions, unless otherwise indicated)						
	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales (U.S.$ in millions)[1]
The U.K.	162.3	73.8	172.1	75.0	180.0	76.2	245.9
Europe	31.8	14.5	36.1	15.7	28.1	11.9	38.4
Rest of the World	25.6	11.7	21.4	8.3	28.1	11.9	38.4
Total	219.6	100.0	229.6	100.0	236.2	100.0	322.7

Note:

(1) Translations from British Pounds to U.S. dollars were made at a rate of GBP1.00 to U.S.$1.3662, the noon buying rate in the City of New York for cable transfers of Sterling as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2020.

New Product Development

Quorn Foods intends to continue to be at the forefront of mycoprotein research and development, with a particular focus on improving taste and texture and to ensure that its production is the most cost-efficient. Current research projects include studies into fungi strain improvement, waste stream valorization, application of lignocelluose and production efficiency.

In addition, the scientific team at Quorn Foods works with leading researchers across top universities and research centers to continuously improve their understanding of mycoprotein and its role as part of a healthy lifestyle and healthy planet. Quorn Foods believes that mycoprotein is one of the most researched and best understood foods on the market.

Quorn Foods' New Product Development team works to gain a deeper insight into consumer experiences with Quorn Foods' products. It continuously endeavors to improve product quality and design in response to evolving consumer needs.

New product development initiatives include the following:

- In January 2019, Quorn Foods launched its vegan *Fishless Fillet* range in the U.K. with two varieties: *Salt & Vinegar Battered Fishless Fillets* and *Lemon & Pepper Breaded Fishless Fillets*. The *Fishless Fillet* range is part of Quorn Foods' efforts to preserve the resources of seas and oceans while providing

a healthy and sustainable take on traditional English food. Quorn Foods believes that its *Fishless Fillet* range offers a choice not only to vegans but to the vegetarian consumer bases as well.

- In May 2019, Quorn Foods entered the food cupboard aisle in the U.K. with eight products across three formats: *Wonder Grains*, *Lunch Bowls* and *Strips*. Quorn Foods believes that its food cupboard introductions enable consumers to access meat-free dishes on an even broader range of key meal occasions.

- In May 2020, Quorn Foods launched its Meatless range in the U.S. with two varieties: *Meatless Lasagna Entrée* and *Meatless Parmigiana Cutlet Entrée*. The Meatless range is naturally non-GMO and can be prepared in the microwave in as little as seven minutes.

- In January 2021, Quorn Foods launched its *Makes Amazing* range in the U.K. with two varieties: *Peri Strips* and *Turkish Style Kebabs*. The *Makes Amazing* range is packed with flavor, easy to prepare and vegan.

Quorn Foods intends to direct its applied research and development work towards the introduction of new and improved products and the application of new technology to reduce unit and operating costs. It also aims to engage in continuous product development to leverage and further develop its proprietary technology.

For the years ended December 31, 2018, 2019 and 2020, the research costs of Quorn Foods amounted to £2.4 million, £3.2 million and £3.8 million, respectively, representing 1.1%, 1.4% and 1.6% of its net sales for the same years, respectively.

Manufacturing Facilities

As of December 31, 2020, Quorn Foods had three manufacturing locations: Belasis, Stokesley and Methwold. Belasis and Stokesley are approximately 100 kilometers from Leeds and Methwold is approximately 150 kilometers from London.

The manufacturing facility at Belasis is approximately 15 kilometers north of the Stokesley factory in Teesside. The Belasis facility has three fermenters in operation, two commissioned between 1992 and 1993 and one commissioned later in 2015. The fourth fermenter is expected to be in operation in mid-2021. The Belasis facility also holds a forming facility which was commissioned in 2019.

The site at Stokesley comprises an administrative block and a manufacturing facility. The manufacturing facility consists of four production lines and is where paste from Belasis is formed into shapes and frozen. The facility produces a mixture of finished products for sale and intermediate products for further processing.

The facility at Methwold is approximately 300 kilometers south of Stokesley and comprises 15 production lines including coating and frying, retorting, packing and slicing. The site produces products for both the *Quorn* and *Cauldron* brands and has the capability to produce chilled products.

The following table below sets out the location, size, capacity, utilization, and relevant industry certifications for each facility as of and for the year ended December 31, 2020.

Location	Size (Sq.M.)	Capacity (Mt.)	Utilization[(1)] (for 2020)	Industry Certifications
U.K.				
Belasis [(2)]	74,000	Fermenting – 36,300 Forming – 10,500	77% See below	Site: ISO 14001 (Environmental Management System) Site: Kosher and Halal approved Fermenting: ISO 22000 (Food Safety Management System) Forming: BRC Global Standards V8 certified with AVM12 (Gluten-Free bolt on) Forming: Approved by The Vegetarian Society U.K. and The Vegan Society U.K.
Stokesley	26,000	Forming – 35,000	73% When combined with Belasis Forming	ISO 14001 (Environmental Management System) BRC Global Standards V8 certified with AVM12 (Gluten-Free bolt on) Kosher and Halal approved Approved by The Vegetarian Society U.K. and The Vegan Society U.K. Non-GMO site verified (not certified)
Methwold	23,000	Finishing – 35,000	60%	BRC Global Standards V8 certified with AVM12 (Gluten Free bolt on) Kosher and Halal approved Approved by The Vegetarian Society U.K. and The Vegan Society U.K. Non-GMO site verified (not certified)

Notes:

(1) *As of December 31, 2020. Utilization refers to production demand as a percentage of the available capacity.*

(2) *The fourth fermenter providing an additional 15,300 Mt. of fermentation capacity has been constructed and is in the process of been commissioned. The fermenter is expected to be operational in mid-2021 and to reach full capacity by April 2022.*

Quorn Foods uses over 15 third-party manufacturers to produce products for which it does not have in-house capability or where there is an economic benefit, such as ready meals, pastry products, and tofu. These manufacturers are located in the U.K., the U.S. and Europe.

Surplus Land for Expansion

As of December 31, 2020, Quorn Foods has developed approximately 30%, 75% and 90% of its land that is available for manufacturing capacity at its Belasis, Stokesley and Methwold facilities, respectively.

Raw Materials

All *Quorn* branded products contain mycoprotein that is produced at Belasis. Mycoprotein can be used in vegan as well as vegetarian products and uses glucose as a key ingredient. To ensure continuity of supply, Quorn Foods obtains its glucose supply from three suppliers based in the U.K. and France. There are other minerals used in the production of mycoprotein and, although most of these are purchased from a single supplier, Quorn Foods has

identified alternative suppliers to avoid supply issues where required. Therefore, Quorn does not believe that the loss of any of its suppliers would have a material adverse effect on its operations.

To produce *Quorn* products, mycoprotein is mixed with other raw materials such as egg albumen (or its alternative for vegan products), natural flavors, seasonings and coatings. *Cauldron* products are made from a range of ingredients including soya beans, chickpeas, soya protein, onion and seasonings. These raw materials are sourced through a pool of accredited third-party suppliers who are regularly audited by Quorn Foods' Quality and Compliance team in accordance with Quorn Foods' sourcing procedures as well as food safety, quality assurance and sustainability standards. Many ingredients suppliers are long-standing suppliers of Quorn Foods with whom it has long-term supply agreements in place for key raw materials. Quorn Foods does not depend on a single raw materials supplier where the loss of such supplier would have a material adverse effect on its operations.

For the year ended December 31, 2020, the total amount paid to Cargill, Roquette and Tereos, collectively, for glucose and the amount paid to Newly Weds Foods for coatings and seasonings accounted for more than 5% of Quorn Foods' raw material supply purchases.

Quorn Foods uses its standard supply contract with most of its suppliers. The general payment terms for local suppliers are 60 days after the end of the month in which the invoice is dated and 30 days after the end of the month in which the invoice is dated for international suppliers. Terms with key raw material suppliers provide for a supply period of approximately one year to three years, with a variety of commercial terms including both pre-determined fixed and formula market-based prices for the duration of the supply relationship. In all instances, renewal is done by negotiation and agreement.

The Procurement Department of Quorn Foods ensures continuity of supply through having multiple sources for the critical ingredients, and a geographical spread of suppliers. The Procurement Department closely coordinates with the Planning team to ensure that appropriate stock levels are maintained. Purchasing efficiencies are secured by regularly benchmarking and tendering all materials. Quality control is assured via a systemic technical audit program, Global Food Safety Initiative (**GFSI**) accreditation, self-audit questionnaires and physical checks, as appropriate.

Distribution Channels

Quorn Foods uses third-party logistics providers to distribute products to retailers and foodservice customers. These logistics providers are regularly audited by Quorn Foods' Technical and Compliance team and covered by Quorn Foods' food safety, quality assurance and sustainability standards.

In the U.K., Quorn Foods uses two third-party logistics providers with whom it has long-term contracts. Reed Boardall is a national company providing services for frozen products. Reed Boardall's main warehouse and distribution center is in Boroughbridge, about 50 kilometers south west of Stokesley. Reed Boardall also provides transport services to move products between Quorn Foods manufacturing locations and to third-party manufacturers. Fowler Welch Cool Chain provides chilled warehouse and distribution services to ensure that products arrive at retailers' distribution centers at the agreed time. Fowler Welch Cool Chain has a number of locations in the U.K., with Quorn Foods products being managed principally from its Nuneaton facility, ideally located to optimize efficiency in the chilled foods supply chain. These two suppliers account for over 50% of Quorn Foods' logistical requirements as of December 31, 2020. *See "Risk Factors — Risks relating to the Group and its Business in General — The Group's business depends on a steady supply of raw materials, the price and availability of which are subject to a high degree of volatility"* on page 52.

To service overseas customers, Quorn Foods has a network of shipping, warehouse and transportation companies to ensure goods are stored and distributed to meet service and quality standards.

Retail

As of December 31, 2020, Quorn Foods products were available in approximately 300,000 points of distribution, primarily in the U.K., the U.S. and Europe across leading food retailers.

Food retailers in the U.K. primarily purchase directly from Quorn Foods while food retailers outside the U.K. source Quorn Foods products largely via direct supply from Quorn Foods, but with some reliance on third-party distributors.

The table below sets forth key food retailers that market and sell Quorn Foods products as of December 31, 2020. *Quorn* branded products are sold in all the following markets, while Cauldron branded products are only sold in the U.K. and the Republic of Ireland.

Location	**Food Retailers**
U.K.	Aldi, Asda, Booths, Coop, Farmfoods, Heron Foods, Iceland, Lidl, Morrisons, Nisa, Ocado, Sainsbury's, Spar, Tesco, Waitrose
Australia	Coles, Drakes, Foodworks, IGA, iPantry, Ritchie's, Romeo's, Woolworths
Belgium	Cactus, Carrefour, Carrefour Market, Colruyt, Cora, Delhaize, Match
Denmark	Coop
Finland	Kesko, S Group
Republic of Ireland	Aldi, Centra, Co-op Superstores, Dunnes, Lidl, Londis, Mace, Musgrave Marketplace, Nisa, Spar, SuperValu, Tesco
Luxembourg	La Provencale, Lux Frias
The Netherlands	Albert Heijn, Boon's Markt, Deen, Deka, Dirk, Hoogvliet, Jumbo
New Zealand	Countdown, Denny's, Hell, New World, PaknSave
Norway	Coop
Philippines	Available through private import at selected healthy lifestyle retailers
Singapore	Cold Storage, Fair Price, Market Place, Prime Now, Red Mart, Shengsiong
Sweden	Bergendahls, City Gross, Coop, Hemkop, ICA, Willy:s
Switzerland	Coop @ Home, Migros
United States	Kroger, Albertsons, Publix, HEB, Instacart, Meijer, Pavilions, Randalls, Safeway, Target, Tom Thumb, Vons, Walmart, Whole Foods, All Ahold Group fascias

Quick Service Restaurants (QSR)

Quorn Foods has a strong presence in QSR distribution channels. As set out in the OC&C report, Quorn Foods provides supplies to four out of the top ten, and nine out of the top 50 restaurant and fast food chains in the U.K., more restaurant and fast food chains than competitors.

Quorn Foods has demonstrated its strength in the QSR segment with successful partnerships with KFC, Greggs, Costa and Pizza Hut in the U.K. and Hooters in the U.S. It has collaboratively worked with these partners, and their supply chains, to develop products such as, among others, the *Vegan Sausage Roll*, an item in the top five of the most-purchased food products for Greggs, the *Fillet Vegan Burger* for KFC, the *Vegan Smoky Ham & Cheeze Toastie* for Costa and the *Vegan Nugget* for Pizza Hut. To increase market penetration, Quorn continues to identify and target global and local QSR outlets worldwide, particularly in the U.S. and Europe.

Foodservice Outlets

Quorn Foods believes it has a strong presence in foodservice. Its products are served in approximately 70% of all schools (approximately 22,000 out of 32,000 schools) in the U.K. and are available on the menu of 4,500 pubs/bars as of December 31, 2020 based on Quorn Foods' internal brand tracking. Foodservice outlets in the U.K. purchase directly from Quorn Foods and also indirectly through major food service wholesalers such as Brakes and Bidvest. Foodservice outlets outside the U.K. source Quorn Foods products primarily through third-party distributors. Quorn Foods also sells to local authorities in the U.K. through third-party distributors where Quorn Foods products form part of a healthy menu offered in schools.

Top Customers

For the year ended December 31, 2020, Quorn Foods' top five customers accounted for more than 50% of total net sales. These customers are all based in the U.K. and its largest single customer, Tesco, accounted for 20% of Quorn Foods' total net sales. See "*Risk Factors — Risks relating to the Group and its Business in General — Consolidation of customers or the loss of a significant customer could negatively impact the Group's sales and profitability*" on page 54.

Quorn does not have written contracts with the majority of its customers but agrees on joint business plans with them on an annual basis. Such practice is customary in the U.K. retail market. General payment terms vary from 15 days to 60 days.

Sales and Marketing

General

Quorn Foods' marketing strategy will focus on bringing new users to its *Quorn* and *Cauldron* brands and the meat alternative sector by demonstrating the benefits of taste, health and sustainability.

Quorn Foods has experienced sales and marketing teams in a number of countries. The largest team, which is responsible for global marketing and international sales, is based in the U.K. To support this, Quorn Foods has sales offices in the U.S. (Chicago, Illinois), Germany, The Netherlands and Sweden. The U.K. sales team covers all aspects of the sales operation including customer contract negotiation, promotional activity, demand planning and in-store merchandising.

In 2020, Quorn Foods launched the *Take a Step in the Right Direction* marketing campaign in the U.K. that aimed to help people understand the environmental impact of food choices and how consumers may play an active role in the fight against climate change through simple, affordable and healthy family meals made with *Quorn* products. In 2021, Quorn launched a campaign encouraging consumers in *'Helping the Planet One Bite at a Time'*, continuing to bring to life sustainability benefits and great tasting food. In addition, Quorn Foods believes that its focus on, and transparency in relation to, the carbon footprint of the entire life cycle of its products will distinguish it from its competitors, promote loyalty among its current consumer base and help attract new consumers.

The primary channels by which Quorn Foods drives consumer awareness and promotes interest in its products are through (i) social media platforms (such as Facebook, Instagram and Twitter) and other digital outlets, (ii) its website, (iii) network, cable television and radio programs, and (iv) sports organizations sponsorship. Quorn Foods also employs billboards, and in-store marketing. In addition, Quorn Foods partners with celebrities, athletes

and other key influencers who share its core values and mission for media/online collaborations and events. For example, Quorn Foods partners with athletes such as American football player DK Metcalf, basketball player Lexie Brown, American football player Jamal Adams, and triathlete Katie Zaferes.

The *Quorn* brand is well-established in the U.K. market. A study conducted in January 2021 by YouGov, a British international market research and data analytics firm, revealed that *Quorn* is widely recognized by consumers, with 94% of consumers recognizing *Quorn*, making it the brand with the highest prompted awareness in the category in the U.K. market.

Flexitarian

The core area for future growth of the *Quorn* brand and products will be among flexitarians. Flexitarians are a large and growing customer group that can be addressed at a total level by mass broadcast media such as advertisement on television. However, there is still a need for more targeted messages, product solutions and channel solutions to this customer group. Quorn Foods believes that the campaign *'Helping the Planet One Bite at a Time'* resonates well with flexitarians as this presents the *Quorn* brand as a modern brand offering great-tasting food which also addresses health and sustainability concerns.

Quorn Foods aims to serve a broad range of flexitarian consumers and uses different approaches for different consumers. As an example, Quorn Foods aims to target the hard-to-reach male audience of all ages through sport. To support this, Quorn Foods recently formed a multi-year global partnership with Liverpool Football Club. Quorn Foods will work in collaboration with the club to provide new opportunities for supporters to purchase its vegetarian and vegan foods on matchdays. It will also work with the club's nutrition team to extend the choices of healthy protein among the athletes. The partnership with the Liverpool Football Club also presented an opportunity for Quorn Foods to connect with the Boston Red Sox baseball team in the U.S., as both teams are part of the Fenway Sports Group. Quorn Foods also believes that its wide product range in channels such as Greggs, a British bakery chain, will be able to cater to this flexitarian market.

Quorn Foods believes that targeted marketing messages on the benefits of mycoprotein will capture the attention of flexitarians who are conscious of their health. To this end, Quorn Foods will aim to use health-centered channels such as gyms or influencers with healthy lifestyles as the key channel to target this group of customers. In addition, Quorn Foods will continue to explore the opportunity to create sub-brands and product ranges that will target this group.

For the younger flexitarian audience, Quorn Foods will look to drive sub-brand opportunities focusing on taste. For example, it launched *Quorn Makes Amazing* product line which offers flavorful and easy-to-enjoy products. It will also use key influencers as the marketing channel to target this group.

Competition

The Meat Alternative Business competes with a broad category of market participants such as multi-national corporates, venture capital-backed newer entrants and private labels. The product group also competes with traditional meat brands.

Quorn Foods is the market leader in the meat alternatives market in the U.K. with *Quorn* and *Cauldron* being the No.1 and No.3 brands with 28% and 5% of grocery retail market share by value in 2020, respectively, as set out in the OC&C report. According to IRI, a data analytics and market research company, in 2020, *Quorn* was the number one grocery retail brand in the U.K. in the chilled and frozen meat alternatives categories. In March 2020, *Quorn* was also recognized as one of Britain's Biggest Brands by The Grocer, a U.K. based magazine that covers the whole FMCG sector. *Quorn* has the broadest range of product portfolio in the U.K. market with approximately 78 products across all alternative meat categories, as set out in the OC&C report, over three times higher than its peers.

In the U.K., the *Quorn* brand primarily competes with a range of meat alternative brands and private label products. *Cauldron* is a complimentary brand to the *Quorn* and competes in the alternative protein category. In the frozen category, the main branded competitor is Linda McCartney with Birds Eye emerging in the last two years, whereas in the chilled category, competition comes from private labels as well as a range of brands such as Meatless Farm, Richmond, Naked Glory, Vivera and THIS. In the U.S., *Quorn* primarily competes with Boca (a brand of Kraft Heinz Foodservice), Gardein (a brand of Conagra Brands) and Morning Star Farms which offer products across multiple categories as well as Beyond Meat and Impossible. *Quorn* also competes with traditional meat brands such as Tyson. *Quorn* primarily competes on the basis of taste and texture, followed by health and sustainability benefits, value perception, product variety and versatility and cost and *Cauldron* primarily competes on taste, consumer experience and health and sustainability benefits. In addition, new product development and innovation, consumer awareness, digital engagement as well as advertising levels and promotions are key factors. See "*Industry Overview*" on page 104.

Quorn believes that its competitive position is differentiated by, among others, the taste, health benefits and sustainability of its food products and its extensive meat alternative platforms of beef, pork, poultry and fish.

Employees

As of December 31, 2020, Quorn Foods had 946 employees across five international locations. It anticipates that it will have approximately 1,000 employees in the ensuing 12 months. Quorn Foods believes that its pool of diverse, well-trained and experienced employees is a strong asset. As of December 31, 2020, Quorn Foods had access to over 20 individuals who hold a Ph.D. degree in its pursuit of understanding the science of, and the benefits from, mycoprotein.

It aims to support its operating functions, grow the capability of its employees and promote its core values ("Stronger Together," "Think Big Act with Courage," "Make Lives Better" and "Strive to be the Best") through the implementation of various professional and personal development programs. These programs include:

- secondment opportunities to develop skills and capabilities and gain experience;
- financial support for professional qualifications;
- operational training to provide technical skills;
- an on-boarding program to introduce new joiners to Quorn Foods' operations, policies and administrative procedures;
- coaching programs developed to improve feedback conversations and enhance team performance; and
- a development plan framework to encourage conversations and ensure that employees have a clear plan for growth.

Quorn Foods expanded its management team in 2020 to prepare the organization for the next level of growth. This included Marco Bertacca taking up the role of Chief Executive Officer in 2020. As of February 28, 2021, the management team of Quorn Foods comprised eleven members, five of whom are new team members that joined Quorn Foods after January 1, 2020. A senior leadership team of over 50 individuals has also been formed to drive the execution of Quorn Foods' strategies.

In 2020, Quorn Foods reorganized its New Product Development team. Over 40% of the team members are new joiners in 2020. The team is segregated into specific areas: flavor development, product development and culinary innovation.

The following tables detail Quorn Foods' employees by employee type and by location.

Employee Type	Count
Executive management team	10
Other full-time employees	936
Total	**946**

Location	Count
U.K. – Belasis	160
U.K. – Home-based	13
U.K. – Leeds	56
U.K. – Methwold	313
U.K. – Stokesley	375
Europe	6
U.S.	23
Total	**946**

As of December 31, 2020, a number of the employees of Quorn Foods belonged to and were represented by two trade unions, Unite the Union at Belasis and Stokesley and the Bakers, Food and Allied Workers Union at Methwold.

As of December 31, 2020, Quorn Foods had a collective bargaining agreement with its employees in Belasis, Methwold and Stokesley. The key provisions of these agreements include various aspects of pay, working hours and conditions, holidays and resolution of grievances. As of the date of this Prospectus, there is no ongoing negotiation or formal disagreement with any of the unions. In February 2021, Quorn Foods concluded a recent negotiation on wages with the union at Belasis. Bargaining agreements are rolling by nature.

Quorn Foods believes that the compensation packages and benefits it offers to employees are competitive. Base salaries are benchmarked using independent external bodies and salary surveys to ensure they remain competitive. Employee benefits include:

- pension contribution with Quorn Foods' standard matching rate of up to 5% for most employees, with higher contributions for certain employees in legacy pension schemes. Contribution into pension schemes is made through a salary sacrifice arrangement to maximize tax efficiency for employees who contribute to their pension;

- company car (or equivalent cash allowance) for staff above a certain grade (both recently reviewed for competitiveness);

- health care benefits for staff above a certain grade augmented by permanent health insurance for executive level staff;

- life assurance for employees in the pension scheme at four times the salary (ten times the salary for those in Belasis bargaining group); and

- discretionary bonus scheme for employees who are above a certain grade at a level commensurate with their grades.

Insurance

Quorn Foods obtains and maintains adequate and reputable insurance coverage on its properties, assets and liability exposures pertaining to its business operations in such amounts and covering such risks as it deems appropriate and as may be usually carried by other companies engaged in the same or similar activities and owning similar properties in the geographical areas where it operates. As of December 31, 2020, Quorn Foods' insurance coverage includes, but is not limited to, property, business interruption, general liability with products, employer and public liability cover and director's and officer's liability. Although its business continuity insurance will expire on March 6, 2021, Quorn Foods expects that it will be able to renew such insurance. Quorn Foods believes its insurance coverage is in accordance with its business exposure and in compliance with relevant regulatory requirements.

Information Technology

Quorn Foods believes that its information technology (**IT**) systems play a crucial role in its day-to-day operations and overall efficiency. The core system of Quorn's IT estate is SAP ERP (S4 Hana) which is used for financial control and management, procurement, stock management, sales and invoicing, and supply chain cost management.

Quorn Foods utilizes other systems and solutions to run its business including, among others, Board (MI), Iri (Sales Analysis), Q-Pulse (Quality Management), Hamilton Grant (Ingredients Management), Holistech (Plant Maintenance), ABB and Frontmatec (SCADA), Wonderware and Frontmatec (MES), Office 365, Blujay (EDI), and Contentful (CMS).

These IT systems are provided mainly by third-party service providers under contracts entered into with Quorn Foods. Some of these systems/services are Software-as-a-Service while others are hosted on premises. Quorn Foods believes that its on-premise infrastructure is highly resilient with a secondary server room at another site and full back-up capability.

There are a number of features of Quorn Foods' IT infrastructure which are implemented to reduce cyber-security risks. These include, among others, dual firewall configuration, multi-factor authorization, annual penetration tests, and offsite backup. Quorn Foods regularly engages with employees to raise awareness on cyber-security risks and it engages experts to assess such cyber-security risks.

Quality Control, Health, and Safety

Food safety and quality assurance are top priorities of Quorn Foods. Quorn Foods implements food safety and quality assurance standards and policies across its operations and processes that are based on global standards, as well as various regulatory and statutory requirements that it is subject to. Quorn Foods believes that a consistent implementation of such standards and policies builds capacities and capabilities, improves supply chain relationships, protects its brand and promotes sustainability.

The Quality Assurance (**QA**) Department of Quorn is comprised of professionals and individuals with relevant industry certifications and experience. The QA Department conducts, among others, product evaluations, good manufacturing practices (**GMP**) audits, process and product validations and calibrations as well as liaising with various operations departments. It also assesses Quorn Foods' quality assurance system on a regular basis to promote GMP compliance and enhance the quality of its operations.

Each manufacturing facility quality function includes internal auditing, which is supported further by corporate quality compliance and auditing to verify GMP standards on an ongoing basis. In addition, third-party certifying bodies conduct periodic audits (including unannounced audits) at Quorn Foods facilities covering Food Safety Management System certification in accordance with GFSI's BRC Global Standards. An additional third-party auditing body, FSSi, conducts regular factory standards audits against Quorn Foods' Corporate Quality Policy to validate that benchmarked standards are implemented and maintained.

Quorn Foods conducts trainings to all its employees on food safety and quality assurance standards, policies and operating procedures. The suppliers and vendors of Quorn Foods are covered by the same standards and policies. They are also required to possess the relevant accreditations and certifications from the relevant bodies in the jurisdiction where they operate. In addition, Quorn Foods' Vendor Assurance team, which reports to the Corporate Quality team, reviews, validates and approves all suppliers and vendors through facility visits, sampling and testing of materials and product quality inspections. Quorn Foods has procedures and systems in place in the event of non-compliance by its employees, suppliers and vendors with its standards, policies, procedures and requirements.

Quorn Foods is subject to laws, rules and regulations pertaining to the regions and countries in which its products are manufactured and sold including the U.K. Food Standards Agency, the EU European Commission and the U.S. FDA regulatory requirements. Other countries where Quorn Foods has regulatory clearance include Switzerland, Australia, New Zealand, South Africa, Canada, Singapore, and the Philippines. As of the date of this Prospectus, Quorn Foods believes it is in material compliance with all applicable health and food safety laws.

Sustainability

Quorn Foods has set a number of ambitious goals, which will drive its journey to becoming a more sustainable business over the next 30 years.

Quorn Foods' purpose is to deliver healthy food for people and the planet. To serve this purpose, Quorn Foods offers nutritious and environmentally conscious meal choices and invests in the best science and technology. It acknowledges that its business has a much wider impact on the planet than only the products it sells. To this end, it is setting its path to operate in the most sustainable way possible to demonstrate its ongoing commitment to tackling the climate emergency.

Comparing 2018 to 2012, Quorn Foods has reduced carbon emissions per ton from its production by approximately 33%. It has also decreased water usage per ton in its production by approximately 16%. Quorn Foods has been working with organizations such as WRAP, a charity that promotes and encourages sustainable resources, for several years to optimize its packaging, including to reduce the amount of resources it uses and to increase the recyclability of the materials it chooses. At the start of 2020, over 90% of its packaging by weight was recyclable, 100% of its cardboard was sourced from approved sustainable sources and approximately 70% of its outer cases used recycled cardboard. Furthermore, on energy resources, all electricity supplied to its Stokesley and Methwold factories is from a renewable source. Quorn Foods is also in the process of implementing renewable energy sources at its Belasis facility.

Quorn Foods was the first global meat-alternative business to achieve third-party certification of its carbon footprint figures. This allows *Quorn* to be the first major food brand to introduce carbon footprint labelling on its products to provide consumers with sustainability information as well as nutritional information at the point of sale.

On waste management, Quorn Foods is a signatory to WRAP's ambitious Courtauld Commitment 2025, a voluntary agreement that brings together organizations across the food system – from producer to consumer– to make food and drink production and consumption more sustainable. Quorn Foods is working under this commitment to cut the resources required to provide food and drinks by one-fifth over ten years. Quorn Foods has also signed up to WRAP's ground-breaking new Target Measure Act together with other U.K.'s major retailers and large food businesses to help drive down the U.K.'s annual food waste bill. The Act uses a WRAP-developed Food Waste Reduction Roadmap that will help participating organizations measure and report food waste performance indicators and act to reach the goal to halve the U.K.'s food waste by 2030, in line with the United Nations' Sustainable Development Goals.

Targets which Quorn Foods believes will accelerate its climate actions and social impact are as follows:

- **To become a "Net Positive" company by 2030**

Quorn Foods' interpretation of "Net Positive" is to put more into the world than it takes out. Its main goal is to use the business as a force to support healthy societies, have a positive impact on its employees and protect and restore the natural resources around itself.

- **To achieve net zero emissions across its whole supply chain by 2050**

  Quorn Foods will support, celebrate and demand climate actions from its suppliers and partners across its entire value chain. By collaborating at scale to bring its total carbon footprint to zero by 2050, Quorn Foods believes this will inspire other food brands in its sector to establish a sustainable and thriving food system.

Legal Proceedings

Quorn Foods is involved in administrative, legal and arbitration proceedings and claims from time to time arising in the ordinary course of business. These involve purported breaches of contractual terms and alleged violations of laws and regulations, none of which are expected to have a material adverse effect on its business operations.

As of the date of this Prospectus, Quorn Foods is not involved in any litigation, arbitration or claims (including personal injuries, employee compensation or product liability claims) of material importance and Quorn Foods is not aware of any litigation, arbitration or claims of material importance pending or threatened against it that would have a material adverse effect on its business, financial condition or results of operations.

REGULATORY AND ENVIRONMENTAL MATTERS

The statements herein are based on the laws in force as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the regulatory and environmental considerations that may be relevant to the Company or the offering.

LAWS AND REGULATIONS OF THE PHILIPPINES

Food and Safety Regulations

The Food Safety Act

In 2013, Republic Act No. 10611 or the Food Safety Act of 2013 (the **Food Safety Act**) was enacted into law to strengthen the food safety regulatory system in the country. The food safety regulatory system encompasses all the regulations, food safety standards, inspection, testing, data collection, monitoring and other activities carried out by the Department of Agriculture (**DA**) and the Department of Health (**DOH**), their pertinent bureaus, and the local government units. The National Dairy Authority, National Meat Inspection Service (**NMIS**), and Bureau of Fisheries and Aquatic Resources (**BFAR**) under the DA are the government agencies responsible for the development and enforcement of food safety standards and regulations in the primary production and post-harvest stages for milk, meats, and fish, respectively, while the Food and Drug Administration (**FDA**) under the DOH is responsible for the safety of processed and pre-packaged foods. The Food Safety Act created the Food Safety Regulation Coordinating Board to monitor and coordinate the performance and implementation of the mandates of the government agencies under the law.

The law aims to: (a) protect the public from food-borne and water-borne illnesses and unsanitary, unwholesome, misbranded or adulterated foods, (b) enhance industry and consumer confidence in the food regulatory system, and (c) achieve economic growth and development by promoting fair trade practices and a sound regulatory foundation for domestic and international trade.

To protect consumer interest, the Food Safety Act seeks to prevent the adulteration, misbranding, fraudulent practices and practices which mislead the consumer, and prevent misrepresentation in labeling and false advertising in the presentation of food. The DA and DOH are mandated to set food safety standards, which are the requirements that food or food processors have to comply with to safeguard human health.

The law likewise mandates the use of science-based risk analysis in food safety regulation and prescribes the adoption of precautionary measures when the available relevant information for use in risk assessment is insufficient to show a certain type of food or food product does not pose a risk to consumer health.

In addition, food imported, produced, processed and distributed for domestic and export markets should comply with the following requirements: (a) food to be imported into the country must come from countries with an equivalent food safety regulatory system and shall comply with international agreements to which the Philippines is a party; (b) imported foods shall undergo cargo inspection and clearance procedures by the DA and DOH at the first port of entry to determine compliance with national regulations; and (c) exported food shall at all times comply with national regulations and regulations of the importing country.

The Food Safety Act imposes the following responsibilities on Food Business Operators (**FBO**): (a) FBO shall be knowledgeable of the specific requirements of food law with respect to their activities in the food supply chain and the procedures adopted by relevant government agencies, and adopt, apply and be well informed of codes and principles for good practices; (b) in the event an FBO considers or has reason to believe that food which it produced, processed, distributed or imported is not safe or not in compliance with food safety requirements, it shall immediately initiate procedures to recall the product and inform the regulatory authority; (c) FBO shall allow inspection of their businesses and collaborate with the regulatory authorities to avoid risks posed by the food product/s which they have supplied; and (d) where the unsafe or noncompliant food product may have reached

the consumer, it shall effectively and accurately inform the consumers of the reason for the withdrawal, and if necessary, recall the same from the market.

For the enforcement of the Food Safety Act, the food safety regulatory agencies are authorized to perform regular inspection of food business operators taking into consideration the compliance with mandatory safety standards; implementation of the Hazard Analysis at Critical Control Points (**HACCP**) or the science-based system that identifies, evaluates, and controls hazards for food safety at critical points; good manufacturing practices; and other requirements of regulations. It is prohibited to refuse access to pertinent records or entry of inspection officers of the food safety regulatory agencies. It is likewise prohibited, among others, to produce, handle, or manufacture for sale, offer for sale, distribute in commerce, or import any food or food product, which is banned or is not in conformity with applicable quality or safety standards. The commission of any of the prohibited acts under the Food Safety Act can result in imprisonment and/or a fine.

The implementing rules and regulations of the Food Safety Act require all food businesses, including large-and medium-scale food businesses engaged in the manufacture of processed and pre-packaged food, to have a Food Safety Compliance Officer (**FSCO**) who has passed a prescribed training course for FSCO recognized by the DA and/or the DOH. The FSCO shall oversee the implementation of the food safety programs and activities of the food business consistent with the provisions of the implementing rules and regulations of the Food Safety Act.

FBOs producing processed and pre-packaged food should develop a Risk Management Plan as a basis for the issuance of appropriate authorizations by the DOH. If an FBO considers or has reason to believe that food which it produced, processed, distributed or imported is not safe or not in compliance with food safety requirements, it should immediately initiate procedures to withdraw the food in question from the market and inform the regulatory authority in accordance with the approved product recall program.

FBOs should also report any incident where their product has caused or contributed to the death, serious illness or serious injury to a consumer or any person. The product should be withdrawn from the market, in accordance with the FBO's respective product recall program, and disposed of according to the procedures prescribed by the DA and/or the DOH.

A product recall may arise after the review of a safety issue, efficacy concern, if applicable, and quality defect discovered by either FDA, manufacturer or distributor, other regulatory agencies, healthcare professionals, or members of the general public. The Product Recall Committee (**PRC**) of the FDA shall oversee the recall system for products. If a product recall is triggered, the PRC shall call a conference with the manufacturer or distributor within 48 hours to present the product recall resolution containing information on: (1) trigger and related evidences, (2) the result of the health hazard evaluation, and (3) the recall classification based on the following categories: (a) Class I Recall – product defects/conditions that are potentially life threatening or could result in severe risk to health, health impairment or effects such as permanent damage to health, or death; (b) Class II Recall - product defects/conditions that could cause poisoning or temporary/medically reversible adverse health problems or mistreatment; and (c) Class III Recall - product defects/conditions that may not pose a significant hazard to health, but withdrawal may have been initiated for other reasons.

During the conference with the FDA, the manufacturer or distributor shall present, and agree with the FDA, the recall strategy to be implemented for the commencement of the recall. A recall strategy consistent with the risk management plan shall be implemented by the manufacturer or distributor which must include the following: (a) depth of recall or specific level in the distribution chain (i.e. consumer level, retail level or wholesale level); (b) recall communications containing the identified list of establishments based on the distribution records; (c) recall operation instructions and corresponding timelines of completion; (d) recall status reporting of the manufacturer or distributor to the FDA; and (e) disposal strategy.

The FDA shall issue an advisory for Class I Recall, which shall be posted on the FDA website and/or other forms of media to alert the public. The manufacturer or distributor shall promptly notify all concerned parties (i.e. establishments involved in the supply chain) on the product recall, copy furnishing the FDA, with the following information: (a) details of the product to be recalled; (b) the reason for the recall and associated health risk; (c)

urgency of action; (d) warning against further distribution of, dispensing, selling and immediate cessation of use of any remaining health product; (e) instructions on what to do with the product; (f) instructions to notify the manufacturer and distributor of the compliance; and (g) initial preventive measures to reduce health risks.

The FDA may issue a Product Recall Order (**PRO**) if (a) the manufacturer or distributor refuses to conduct a recall after the FDA has established the need for recall or (b) the manufacturer or distributor fails to effectively conduct the recall as agreed with the FDA. The manufacturer or distributor will be notified of the decision of product recall. The PRO will specify the violation, the product recall classification, the depth of recall, and the recommended duration of recall to be undertaken by the manufacturer or distributor up to the complete removal of the product from the market.

A product recall may also be initiated by a manufacturer or distributor of a violative product (i.e. the product presents a risk of injury or does not conform to registered specifications) in coordination with the PRC, discussing the health hazard evaluation conducted by the manufacturer or distributor that prompted the decision to recall and the proposed recall strategy to be implemented.

Products which have been subject of a recall must immediately be removed from the market and must not be allowed for distribution and sale. Upon completion of the recall procedure, the concerned company must notify the FDA of the final disposition of the product. If the product is to be destroyed, the destruction should be witnessed by an FDA representative. If the product has been reprocessed to comply with registered specifications, distribution and sale of the reprocessed product will only be allowed following a written recommendation from the FDA to do so.

The FDA may seize the products or seek other court action if a firm refuses to conduct an FDA-ordered recall or where the FDA has reason to believe that a recall would not be effective, a recall is ineffective, or it discovers that a violation is continuing.

The DOH, through the FDA, is responsible for the assurance of safety of processed and pre-packaged food products, whether locally produced or imported.

The Philippine Food Fortification Act

Republic Act No. 8976 or the Philippine Food Fortification Act of 2000 (the **PFF Act**) provides for the mandatory fortification of wheat flour, cooking oil and other staple foods and the voluntary fortification of processed food products. Manufacturers, imports and processors of food products are mandated to fortify their food products. The FDA is the government agency responsible for the implementation of the PFF Act with the assistance of the different local government units, which are tasked under the said law to monitor foods mandated to be fortified, in public markets, retail stores and foodservice establishments and to check if the labels of fortified products contain nutritional facts stating the nutrient added and its quantity. Any person in violation of the PFF Act shall be subject to administrative penalties. Furthermore, the FDA may refuse or cancel the registration or order the recall of food products in violation of said law.

The Food, Drugs and Devices, and Cosmetics Act

Republic Act No. 3720 or the Foods, Drugs and Devices, and Cosmetics Act, as amended by Republic Act No. 9711 or the FDA Act of 2009 (the **FDDC Act**), establishes standards and quality measures in relation to the manufacturing and branding of food products to ensure the safe supply thereof to and within the Philippines. The FDA is the governmental agency under the DOH tasked to implement and enforce the FDDC Act. The FDA requires both a license to manufacture food products, as well as individual certificates of registration for each product to be manufactured or sold in the Philippines.

The FDDC Act prohibits, among others, (i) the manufacture, importation, exportation, sale, offering for sale, distribution or transfer, non-consumer use, promotion, advertisement or sponsorship of food products which are adulterated or misbranded or which, although requiring registration pursuant to the FDDC Act, are not registered

with the FDA; and (ii) the manufacture, importation, exportation, transfer or distribution of any food product by any person or entity without a license to operate from the FDA. Any person found in violation of any of the provisions of the FDDC Act shall be subject to administrative penalties or imprisonment or both. Furthermore, the FDA has the authority to seize such food products found in violation of the FDDC Act as well as ban, recall and withdraw any food product found to be grossly deceptive, unsafe, or injurious to the consuming public.

FDA Rules and Regulations

Consistent with the mandate to adopt and establish mechanisms and initiatives that are aimed at protecting and promoting the right to health of every Filipino, the FDA issued the Rules and Regulations on the Licensing of Food Establishments and Registration of Processed Food, which require all food establishments to obtain a License to Operate (**LTO**) from the FDA. An LTO and other requirements specified in the Food Safety Act and its implementing rules and regulations are necessary for establishments engaged in the manufacturing, importation, exportation, sale, offer for sale, distribution, transfer, use, testing, promotion, advertisement, and/or sponsorship of alcoholic beverages. An initial LTO is valid for a period of two years, while a renewed license is valid for five years.

An LTO can be automatically renewed when (a) the application for renewal is filed before the expiration date of the license, (b) the prescribed renewal fee is paid upon filing of the application, and (c) a sworn statement indicating no change or variation in the establishment is attached to the application. An application for renewal of an LTO received after its date of expiration will be subject to a surcharge or penalty.

Further, the LTO subject of an application for renewal will be considered valid and subsisting until a decision or resolution by the FDA is rendered on the application for renewal as long as the application is filed within 120 days from the LTO's original expiry. The automatic renewal of an LTO should not preclude the FDA from suspending, revoking or cancelling the same, in case the owner violates any of the terms and conditions of the license or other relevant laws and implementing rules and regulations. The assignment or transfer of a valid and unexpired LTO, or pending application for renewal without any change or variation whatsoever in the establishment requires a mere amendment of the LTO or the application, as the case may be.

The manufacture, importation, exportation, sale, offering for sale, distribution, transfer, non-consumer use, promotion, advertising, or sponsorship of any health product without the proper authorization from the FDA is prohibited and punishable, by imprisonment and fine.

In addition to an LTO, the FDA also requires a Certificate of Product Registration (**CPR**) for processed food products before said products are distributed, supplied, sold or offered for sale or use in the market. A CPR covering a particular health product constitutes prima facie evidence of the registrant's marketing authority for said health product in connection with the activities permitted pursuant to the registrant's LTO.

The FDA follows a classification list based on the Codex Alimentarius General Standard of Food Additives and the United Nations Food and Agriculture Organization Risk Categories, wherein processed food products are classified according to microbiological risk: (a) Low Risk Food – foods that are unlikely to contain pathogenic microorganisms and will not normally support their growth because of food characteristics, and foods that are unlikely to contain harmful chemicals; (b) Medium Risk Food – foods that may contain pathogenic microorganisms but will not normally support their growth because of food characteristics; or food that is unlikely to contain pathogenic microorganisms because of food type or processing but may support the formation of toxins or the growth of pathogenic microorganisms; and (c) High Risk Food – foods that may contain pathogenic microorganisms and will support the formation of toxins or the growth of pathogenic microorganisms, and foods that may contain harmful chemicals.

For processed food products, the validity of an initial CPR is two years to five years, while a renewed CPR is valid for five years; provided that upon renewal, its holder conforms to the pertinent standards and requirements, including labeling regulations.

A CPR may be automatically renewed provided that: (a) the registrant has a current and valid LTO, (b) the product is covered by a current and valid CPR, and (c) there are no deficiencies that need to be corrected before the renewal of the CPR can be granted. The application for renewal must be filed at least three months before the expiration of the CPR, although an application for renewal may still be filed within three months after the expiration date of the CPR, subject only to the payment of a surcharge.

An expired CPR that has not been renewed within the three-month grace period cannot be the subject of a renewal application and will be considered an initial application for the registration of the product.

The operation of a food business without the proper authorization from the FDA is prohibited and punishable with a fine. The closure of the establishment may also be imposed as a penalty upon the finding of a commission of a prohibited act.

The Price Act

Republic Act No. 7581 or the Price Act, as amended by Republic Act No. 10623, provides for price controls for basic necessities and prime commodities in certain situations, pursuant to the policy of the government to ensure the availability of basic necessities and prime commodities at reasonable prices at all times, without denying legitimate business a fair return on investment. Basic necessities include rice, corn, root crops, bread; fresh, dried or canned fish and other marine products; fresh pork, beef and poultry meat; fresh eggs; potable water in bottles and containers; fresh and processed milk; fresh vegetables and fruits; locally manufactured instant noodles; coffee; sugar; cooking oil; salt; laundry soap and detergents; firewood; charcoal; household liquefied petroleum gas (LPG) and kerosene; candles; and drugs classified as essential by the DOH. Prime commodities include flour; dried, processed or canned pork, beef and poultry meat; dairy products not falling under basic necessities; onions, garlic, vinegar, patis, soy sauce; toilet soap; fertilizer, pesticides and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies; nipa shingles; sawali; cement; clinker; GI sheets; hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies; light bulbs; steel wire; and all drugs not classified as essential drugs by the DOH.

Under the Price Act, the prices of basic commodities may be automatically frozen at their prevailing prices or placed under automatic price control whenever:

1. that area is proclaimed or declared as a disaster area or under a state of calamity;
2. that area is declared under emergency;
3. the privilege of the writ of habeas corpus is suspended in that area;
4. that area is placed under martial law; or
5. that area is in a state of rebellion or war.

The President of the Philippines may likewise impose a price ceiling on basic necessities and prime commodities in cases of calamities, emergencies, illegal price manipulation or when the prevailing prices have risen to unreasonable levels. Unless sooner lifted by the President of the Philippines, prices shall remain frozen for a maximum of 60 days.

The DA, DTI, DENR and DOH are the implementing agencies responsible for the enforcement of the Price Act. The implementing government agencies of the Price Act are given the authority thereunder to issue suggested retail prices, whenever necessary, for certain basic necessities and/or prime commodities for the information and guidance of concerned trade, industry and consumer sectors.

The Price Act considers it unlawful for any person habitually engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of goods to engage in illegal price manipulation of any basic necessity or prime commodity through:

1. cartels, defined as any combination of or agreement between two or more persons engaged in the production, manufacture, processing, storage, supply, distribution, marketing, sale or disposition of any basic necessity or prime commodity designed to artificially and unreasonably increase or manipulate its price;

2. hoarding, defined as the undue accumulation by a person or combination of persons of any basic commodity beyond his or their normal inventory levels, or the unreasonable limitation or refusal to dispose of, sell or distribute the stocks of any basic necessity of prime commodity to the general public, or the unjustified taking out of any basic necessity or prime commodity from the channels of reproduction, trade, commerce and industry; or

3. profiteering, defined as the sale or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth.

Any person found in violation of the provisions of the Price Act shall be subject to administrative penalties or imprisonment or both.

The Consumer Act

Republic Act No. 7394 or the Consumer Act of the Philippines (the **Consumer Act**) is principally enforced by the DTI and seeks to: (i) protect consumers against hazards to health and safety, (ii) protect consumers against deceptive, unfair and unconscionable sales acts and practices; (iii) provide information and education to facilitate sound choice and the proper exercise of rights by the consumer; (iv) provide adequate rights and means of redress; and (v) involve consumer representatives in the formulation of social and economic policies.

This law imposes rules to regulate such matters as: (i) consumer product quality and safety; (ii) the production, sale, distribution and advertisement of food, drugs, cosmetics and devices as well as substances hazardous to the consumer's health and safety; (iii) fair, honest consumer transactions and consumer protection against deceptive, unfair and unconscionable sales acts or practices; (iv) practices relative to the use of weights and measures; (v) consumer product and service warranties; (vi) compulsory labeling and fair packaging; (vii) liabilities for defective products and services; (viii) consumer protection against misleading advertisements and fraudulent sales promotion practices; and (ix) consumer credit transactions.

The Consumer Act establishes quality and safety standards with respect to the composition, contents, packaging, labeling and advertisement of food products and prohibits the manufacture for sale, offer for sale, distribution, or importation of food products which are not in conformity with applicable consumer product quality or safety standards. Like the FDDC Act, the Consumer Act also prohibits the manufacture, importation, exportation, sale, offering for sale, distribution or transfer of food products which are adulterated or mislabeled. In connection therewith, the Consumer Act provides for minimum labeling and packaging requirements for food products to enable consumers to obtain accurate information as to the nature, quality, and quantity of the contents of food products available to the general public. The Consumer Act likewise prohibits false, deceptive, or misleading advertisements and sales promotions and deceptive sales and acts and practices in connection with food products. Any person who violates the provisions of the Consumer Act shall be subject to administrative fines or imprisonment or both at the discretion of the court. Should the offense be committed by a juridical person, the chairman of the board of directors, the president, general manager, or the partners and/or the persons directly responsible therefor shall be penalized. Under the Consumer Act, the DOH also has the authority to order the recall, ban, or seizure from public sale or distribution of food products found to be injurious, unsafe or dangerous to the general public.

The Consumer Act provides for the following minimum labeling requirements for consumer products sold in the Philippines: (a) the correct and registered trade name or brand name; (b) the duly registered trademark; (c) the duly registered business name; (d) the address of the manufacturer, importer, and repacker of the consumer product in the Philippines; (e) the general make or active ingredients; (f) the net quantity of contents, in terms of weight, measure or numerical count rounded off to at least the nearest tenths in the metric system; (g) the country of manufacture, if imported; and (h) if a consumer product is manufactured, refilled or repacked under license from a principal, the label shall so state the fact. Additional labeling requirements imposed by the Consumer Act for food products include: (a) expiry or expiration date, where applicable; (b) whether the consumer product is semi-processed, fully processed, ready-to-cook, ready-to-eat, prepared food or just plain mixture; (c) nutritive value, if any; and (d) whether the ingredients used are natural or synthetic, as the case may be.

The DTI is tasked with implementing the Consumer Act with respect to labels and packaging of consumer products other than food products, and regulates product labeling, proper and correct description of goods, product labels with foreign characters/languages, data/information on product contents and origins and other similar matters. With respect to the packaging and repackaging of food products, such activities are regulated by the DOH and the FDA. Establishments engaged in these activities are required to comply with, among others, the current guidelines promulgated by the DOH on good manufacturing practice in manufacturing, packing, repacking, or holding food.

Violation of the Consumer Act shall warrant administrative penalties and/or imprisonment of not less than one year but not more than five years, or a fine of not less than P5,000.00 but not more than P10,000.00 or both, at the discretion of the court. Should the offense be committed by a juridical person, the chairman of the board of directors, the president, general manager, or the partners and/or the persons directly responsible therefor shall be penalized.

Labor and Employment

Labor Code of the Philippines

The Labor Code of the Philippines (**Labor Code**) seeks to protect labor, promote full employment, ensure equal opportunities regardless of sex, race or creed and regulate the relations between workers and employers. The Labor Code prescribes the rules for hiring and termination of private employees, the conditions of working including maximum work hours and overtime, employee benefits such as holiday pay, thirteenth month and retirement pay and the guidelines in the organization and membership of labor unions. The Department of Labor and Employment (**DOLE**) is the Government agency mandated to formulate policies and implement programs and services, and serves as the policy-coordinating arm of the executive branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a “trilateral relationship” among: (i) the principal who decides to farm out a job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

On March 15, 2017, Department Order No. 174 (2017) (**D.O. 174**) was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labor Code. It has reiterated the policy that labor-only contracting is absolutely prohibited where: (1) (a) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision or work premises, among others; and (b) the contractor’s or subcontractor’s recruited and placed employees are performing activities which are directly related to the main business operation of the principal; or (2) the contractor or

subcontractor does not exercise the right to control over the performance of the work of the employee. The failure of legitimate contractors to register gives rise to the presumption that the contractor is engaged in labor-only contracting.

Subsequently, the DOLE issued Department Circular No. 1 (2017) clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, IT Infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services, and back office operations or support.

D.O. No. 174 reaffirms the constitutional and statutory right to security of tenure of workers. It absolutely prohibits labor-only contracting and other illicit forms of employment arrangement. D.O. No. 174 permits contracting and subcontracting provided: (i) the contractor or subcontractor is engaged in a distinct and independent business and undertakes to perform the job or works on its own responsibility, according to its own manner and method; (ii) the contractor or subcontractor has substantial capital to carry out the job farmed out by the principal on his account, manner and method and investment in the form of tools, equipment, machinery and supervision; (iii) in performing the work farmed out, the contractor or subcontractor is free from the control and/or direction of the principal in all matters connected with the performance of the work except as to the result thereto; and (iv) the service agreement ensures compliance with all the rights and benefits for all employees of the contractor or subcontractor under the labor laws.

On May 2, 2018, President Rodrigo Duterte signed Executive Order No. 51, reiterating the prohibition of the practice of illegal contracting or subcontracting in the country. The executive order aims to protect the worker's right to security of tenure, self-organization and collective bargaining and peaceful concerted activities.

Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 11199, the Social Security Act of 2018, to ensure coverage of employees following procedures set out by the law and the SSS. Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to their salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, and pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits.

The failure of the employer to comply with any of its obligations may lead to sanctions, including the imposition of a fine of not less than ₱5,000.00 nor more than ₱20,000.00, or imprisonment for not less than six years and one day nor more than 12 years, or both, at the discretion of the court. The erring employer will also be liable to the SSS for damages equivalent to the benefits to which the employee would have been entitled had his name been reported on time to the SSS and for the corresponding contributions and penalties thereon.

Employers are likewise required to ensure enrolment of their employees in a National Health Insurance Program (**NHIP**) administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of Republic Act No. 10606, the National Health Insurance Act of 2013.

On February 20, 2019, Republic Act No. 11223, the Universal Health Care Act, was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents,

whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for a health benefit package under the program. An employer who fails or refuses to register its employees, regardless of their employment status, or to deduct contributions from its employees' compensation or remit the same to our Corporation shall be punished with a fine of not less than ₱5,000.00 multiplied by the total number of employees of the firm.

Under Republic Act No. 9679, the Home Development Mutual Fund Law of 2009, all employees who are covered by the SSS must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Coverage under the Home Development Mutual Fund is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2.0% of the employee's monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2.0% of the employee's monthly compensation, and remit the contributions to the Home Development Mutual Fund. Refusal of an employer to comply, without any lawful cause or with fraudulent intent, particularly with respect to registration of employees as well as collection and remittance of contributions, is punishable by a fine of not less but no more than twice the amount involved, or imprisonment of not more than six years, or both such fine and imprisonment. These penalties are apart from the civil liabilities and/or obligations of the delinquent employer. When the offender is a corporation, the penalty will be imposed upon the members of the governing board and the president or general manager, without prejudice to the prosecution of related offenses under the Revised Penal Code and other laws, revocation and denial of operating rights and privileges in the Philippines and deportation when the offender is a foreigner.

DOLE Mandated Work-Related Programs

Under Republic Act No. 9165 or the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with ten or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000 nor more than ₱20,000, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid discrimination against any employee due to HIV/AIDS. Any HIV/AIDS-related information about workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

Occupational Safety and Health Standards Law

Republic Act No. 11058 or the Occupational Safety and Health Standards Law was signed into law in August 2018. Under this law, every employer, contractor, subcontractor and any person who manages, controls, or supervises the work being undertaken is required, among others, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. The law also requires them to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency. Department Order No. 198, series of 2018 (**D.O. 198**) was promulgated by the Department of Labor and Employment to implement the provisions of the Occupational Safety and Health Standards Law. D.O. 198 classifies establishments as low, medium or high risk, and depending on the number of employees per establishment, provides for the corresponding requirements and provisions required of each employer, such as number of safety officers, occupational health officers and provision for health equipment and facilities.

Under the DOLE Labor Advisory No. 04, series of 2019 (**Guide for Compliance of Establishments to D.O. 198**), the establishment concerned shall be responsible for determining its own level of classification (low, medium or high risk) based on Hazards Identification and Risk Assessment Control conducted by the company.

The employer, project owner, contractor or subcontractor, if any, and any person who manages, controls or supervises the work being undertaken shall be jointly and solidarily liable for compliance with occupational safety and health standards, including the penalties imposed for any violations thereof.

Retirement Law

Republic Act No. 7641 provides for the mandated payment of retirement benefits to eligible employees. All employees are entitled to receive retirement benefits that they have earned upon retirement under existing laws or collective bargaining agreements. In the absence of a retirement plan or agreement providing for retirement benefits of employees, an employee, upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years, who has served at least five (5) years in the establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

Other Laws

Revised Corporation Code of the Philippines

Republic Act No. 11232, also known as the Revised Corporation Code, was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the salient features of the Revised Corporation Code are:

- Corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Revised Corporation Code, unless a corporation, upon a vote of majority of the shareholders of the outstanding capital stock, notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation.

- A corporation vested with public interest must submit to its shareholders and to the Philippine SEC an annual report of the total compensation of each of its directors or trustees, and a director or trustee appraisal or performance report and the standards or criteria used to assess each director, or trustee.

- Corporations engaged in businesses vested with public interest as may be determined by the Philippine SEC must have independent directors constituting at least 20% of the Board.

- The Revised Corporation Code allows the creation of a "One Person Corporation." However, it expressly prohibits banks and quasi-banks, preneed, trust, insurance, public and publicly listed companies, among others, from being incorporated as such. This restriction also applies with respect to incorporations such as Close Corporation.

- Material contracts between a corporation vested with public interest and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds (2/3) of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.

- The right of shareholders to vote in the election of directors or trustees, or in shareholders' meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws. However, as to corporations vested with public interest, these votes are deemed available, even if not expressly stated in the corporate by-laws. The shareholders who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or in absentia, the notice of meetings to the shareholders must state the requirements and procedures to be followed when a shareholder or member elects either option.

- In case of transfer of shares of listed companies, the Philippine SEC may require that these corporations whose securities are traded in trading markets, and which can reasonably demonstrate their capability to do so, issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Philippine SEC.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

The Philippine Competition Act

Republic Act No. 10667, otherwise known as the Philippine Competition Act, was signed into law on July 21, 2015 and took effect on August 8, 2015. This Act aims to codify anti-trust laws in the Philippines, and it provides the competition framework in the country. The Philippine Competition Act was enacted to provide free and fair competition in trade, industry, and all commercial economic activities.

To implement its objectives, the Philippine Competition Act provides for the creation of a Philippine Competition Commission (**PCC**), an independent quasi-judicial agency to be composed of five commissioners. Among the PCC's powers are to: conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties. To conduct a search and seizure, the PCC must apply for a warrant with the relevant court.

The Philippine Competition Act prohibits anti-competitive agreements between or among competitions, and mergers and acquisitions which have the object or effect of substantially preventing, restricting, or lessening competition. It also prohibits practices which involve abuse of a dominant position, such as selling goods or services below cost to drive out competition, imposing barriers to entry or preventing competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers or the same goods, subject to exceptions.

The Philippine Competition Act also introduces the pre-notification regime for mergers and acquisitions, which requires covered transactions to be notified to the PCC for its approval.

On June 3, 2016, the PCC issued the implementing rules and regulations of the Philippine Competition Act (**IRR**). Under the IRR, as a general rule, parties to a merger or acquisition are required to provide notification when: (a)

the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of the acquiring or the acquired entities exceed ₱1.0 billion (**Size of Party**); and (b) the value of the transaction exceeds ₱1.0 billion, as determined in the IRR (**Size of Transaction**); while Parties to a joint venture transaction shall also be subject to the notification requirement if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱1.0 billion, or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱1.0 billion.

The PCC also has released its "Guidelines on the Computation of Merger Notification Thresholds," providing the method for calculation of the aggregate value of assets and gross revenues from sales for the purposes of determining whether a proposed merger or acquisition is notifiable to the PCC.

On March 1, 2018, the PCC issued Memorandum Circular No. 18-001, which adjusted the thresholds for the compulsory notification of mergers and acquisitions from ₱1 billion for both the Size of Person and Size of Transaction tests to ₱5 billion for the Size of Person and ₱2 billion for the Size of Transaction as defined in the Implementing Rules and Regulations. In addition, parties to a joint venture transaction shall be subject to the notification requirement if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱2 billion; or (b) the gross revenues generated in the Philippines by the assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱2 billion.

The same memorandum circular also provided that unless otherwise modified or repealed by the Commission, the thresholds set out in Rule 4, Section 3 of the Implementing Rules and Regulations, as amended, shall be automatically adjusted commencing on March 1, 2019 and on March 1 of every succeeding year, using as index the Philippine Statistics Authority's official estimate of the nominal Gross Domestic Product (**GDP**) growth of the previous calendar year rounded up to the nearest hundred million. The annual nominal GDP from 2017 to 2018 grew by 10.2%.

Based on the nominal GDP growth, in a PCC resolution issued on February 11, 2020 the PCC adjusted the notification thresholds as follows:

Test	**Old Threshold (2019)**	**New Threshold (effective March 1, 2020)**
Size of Person Test	₱5.6 billion	₱6 billion
Size of Transaction Test	₱2.2 billion	₱2.4 billion

This means that the value of the assets or revenues of the Ultimate Parent Entity (**UPE**) of at least one of the parties must exceed ₱6 billion instead of ₱5.6 billion. The UPE is the entity that, directly or indirectly, controls a party to the transaction, and is not controlled by any other entity. In addition, the value of the assets or revenues of the acquired entity must exceed ₱2.4 billion instead of ₱2.2 billion. Both thresholds must be breached in order for the compulsory notification requirement to apply. As to joint venture transactions, notification is mandatory if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱2.4 billion; or (b) the gross revenues generated in the Philippines by the assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱2.4 billion. The new thresholds will not apply to (a) transactions already pending review with the PCC, (b) notifiable transactions consummated before March 1, 2020, and (c) transactions already decided by the PCC.

Violations of the Philippine Competition Act and its IRR carry administrative and criminal penalties. A transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of 1 to 5.0% of the value of the transaction. Criminal penalties for entities that enter into these defined anti-competitive agreements include: (i) a fine of not less than ₱50.0 million but not more than ₱250.0 million; and (ii) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱100.0 million to ₱250.0 million may be imposed on entities found violating prohibitions against anti–competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

On September 15, 2017, the PCC published the 2017 Rules of Procedure (**Rules**) which apply to investigations, hearings, and proceedings of the PCC, except to matters involving mergers and acquisitions unless otherwise provided. It prescribes procedures for fact-finding or preliminary inquiry and full administrative investigations by the PCC. The Rules also include non-adversarial remedies such as the issuance of binding rulings, show cause orders, and consent orders.

On September 10, 2019, the Supreme Court of the Philippines approved the Rules on Administrative Search and Inspection under the Philippine Competition Act. The rules govern the application, issuance, and enforcement of inspection orders for administrative investigations of alleged violations of the Philippine Competition Act. Inspection orders will allow the PCC and its deputized agents to enter, search and inspect business premises, offices, land and vehicles to examine, copy, photograph, record or print information in order to prevent their removal, concealment, tampering with or destruction.

On September 11, 2020, in response to the COVID-19 pandemic, President Rodrigo Duterte signed into law Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act" which became effective on September 15, 2020. Under the Bayanihan to Recover as One Act, all mergers and acquisitions entered into within a period of two (2) years from its effectivity, with transaction values below ₱50 billion shall be exempt from compulsory notification under the Philippine Competition Act. In addition, the PCC's power to review mergers and acquisitions *motu proprio* shall be suspended for one (1) year from effectivity of the Bayanihan to Recover as One Act. The PCC issued Memorandum Circular No. 20-003 reiterating the foregoing exemptions and clarified that mergers and acquisitions entered into prior to the Bayanihan to Recover as One Act which exceed the following thresholds: (a) Size of Party exceeds ₱6.0 billion; and (b) Size of Transaction exceeds ₱2.4 billion, are

still subject to compulsory notification under the Philippine Competition Act, and all mergers and acquisitions entered into prior to the effectivity of the Bayanihan to Recover as One Act may still be subject to the *motu proprio* review of the PCC. On October 5, 2020, the PCC issued the rules for the implementation of Section 4 (eee) of Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act," relating to the review of mergers and acquisitions. The rules detail the exemptions from compulsory notification and *motu proprio* review, computation of new thresholds, and the option for voluntary notification of merger and acquisition transactions while Section 4 (eee) of Bayanihan 2 is in effect.

Foreign Investments Act of 1991

Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991 (**FIA**), liberalized the entry of foreign investment into the Philippines. Under the FIA, in domestic market enterprises, foreigners can own as much as 100% equity except in areas specified in the Eleventh Regular Foreign Investment Negative List (the **Negative List**). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, land ownership, retail trade, telecommunications, mining and the operation of public utilities.

In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60.0% of whose capital is owned by such citizens. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40.0%. A corporation with more than 40.0% foreign equity may be allowed to lease land for a period of 25 years, renewable for another 25 years.

In connection with the retail trade, Republic Act No. 8762 or the Retail Trade Liberalization Act (the **RTLA**) defines retail trade as any act, occupation or calling of habitually selling directly to the general public any merchandise, commodity or good for consumption. The RTLA liberalized the retail industry to encourage Filipino and foreign investors to forge an efficient and competitive retail trade sector in the interest of empowering the Filipino consumer through lower prices, high-quality goods, better services, and wider choices. Prior to the passage of the RTLA, retail trade was limited to Filipino citizens or corporations that are 100% Filipino-owned.

Under the RTLA, foreign-owned partnerships, associations or corporations formed and organized under the laws of the Philippines may, upon registration with the Philippine SEC and the DTI, or in the case of foreign owned single proprietorships, with the DTI, engage or invest in the retail trade business, under the following categories:

- Category A Enterprises with paid-up capital that is less than the equivalent of US$2,500,000 in Philippine pesos shall be reserved exclusively for Filipino citizens and corporations wholly-owned by Filipino citizens;

- Category B Enterprises with a minimum paid-up capital that is equivalent to US$2,500,000 in Philippine pesos, but is less than US$7,500,000, may be wholly-owned by foreigners except for the first two years after the effectiveness of the RTLA (wherein foreign participation was limited to not more than 60% of total equity);

- Category C Enterprises with a paid-up capital that is equivalent to or more than US$7,500,000 in Philippine pesos may be wholly owned by foreigners, provided that in no case shall the investments for establishing a store in Categories B and C be less than the equivalent of US$830,000 in Philippine pesos. Effective March 25, 2002, Category C ceased to be a permitted category; and

- Category D Enterprises specializing in high-end or luxury products with a paid-up capital that is equivalent to US$250,000 in Philippine pesos per store may be wholly owned by foreigners.

Any foreign investor may be allowed to invest in existing retail stores. However, the investment must comply with the paid-up capitalization requirements enumerated above.

In addition, under the Philippine Constitution, only citizens of the Philippines or corporations or associations organized under the laws of the Philippines at least 60.0% of whose capital is owned by such citizens may engage in activities relating to the exploration, development and utilization of natural resources, which covers the utilization of natural resources for the operation of renewable energy power plants.

For the purpose of complying with nationality laws, the term Philippine National is defined under the FIA as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly owned by citizens of the Philippines;
- a corporation organized under the laws of the Philippines of which at least 60.0% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code, of which 100.0% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or
- a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60.0% of the fund will accrue to the benefit of Philippine Nationals.

In SEC Memorandum Circular No. 08 dated May 20, 2013, or the Guidelines on Compliance with the Filipino Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly Nationalized Activities, it is provided that for purposes of determining compliance with the nationality requirement, the required percentage of Filipino ownership shall be applied both to (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. A petition for certiorari questioning the constitutionality of SEC Memorandum Circular No. 8 dated May 20, 2013 was filed in June 2013. In *Jose M. Roy III v. Chairperson Teresita Herbosa* (G.R. No. 207246) dated April 18, 2017, the Supreme Court affirmed the validity of SEC Memorandum Circular No. 08 dated May 20, 2013.

In the 2014 case of *Narra Nickel Mining and Development Corporation, et.al vs. Redmont Consolidated Mines Corp* (G.R. No. 195580) and its corresponding motions for reconsideration (the **Narra Nickel Case**), the Supreme Court affirmed that the Grandfather Rule, wherein shares owned by corporate shareholders are attributed either as Filipino or foreign equity by determining the nationality not only of such corporate shareholders, but also such corporate shareholders' own shareholders, until the nationality of shareholder individuals is taken into consideration, is to be used jointly and cumulatively with the Control Test, which merely takes into account the nationality of the listed shareholders of the corporation. Such joint and cumulative application shall be observed as follows: (i) if the corporation's Filipino equity falls below 60.0%, such corporation is deemed foreign-owned, applying the Control Test; (ii) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (iii) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied.

Data Privacy Act of 2012

Republic Act No. 10173, or the Data Privacy Act of 2012, was signed into law on August 15, 2012. The law applies to any natural or juridical person involved in the processing of personal information, including personal information controllers and processors. It mandated the creation of the National Privacy Commission (**Privacy**

Commission), which shall administer and implement the provisions of the Data Privacy Act and ensure the compliance of the Philippines with international standards set for data protection.

The Data Privacy Act aims to protect the fundamental human right to privacy of data subjects by: (a) protecting the privacy of individuals while ensuring free flow of information; (b) regulating the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of personal data; and (c) ensuring that the Philippines complies with international standards set for data protection through the Privacy Commission.

The law mandates companies to inform individuals about how their personal information is collected and processed. It also ensures that all personal information must be: (a) collected and processed on a lawful basis, which includes consent, and only for reasons that are specified, legitimate, and reasonable; (b) handled properly, ensuring its accuracy and retention only for as long as reasonably needed; and (c) discarded properly to avoid access by unauthorized third parties.

Its Implementing Rules and Regulations (**IRR**) took effect on September 9, 2016, mandating all Philippines companies to comply with the following: (a) appointment of a Data Protection Officer; (b) conduct of a privacy impact assessment; (c) adoption of a privacy management program and privacy policy; (d) implementing privacy and data protection measures; and (e) establishing a breach reporting procedure. In addition, companies with at least 250 employees or access to the sensitive personal information of at least 1,000 individuals are required to register their data processing systems with the Privacy Commission. The IRR furthermore provides the only instances when data sharing is allowed, to wit: (a) data sharing is authorized by law, provided that there are adequate safeguards for data privacy and security, and processing adheres to principles of transparency, legitimate purpose and proportionality; (b) in the private sector, data sharing for commercial purposes is allowed upon (i) consent of the data subject, and (ii) when covered by a data sharing agreement; (c) data collected from parties other than the data subject for the purpose of research shall be allowed when the personal data is publicly available; and (d) data sharing among government agencies for purposes of public function or provision of a public service shall be covered by a data sharing agreement.

Local Government Code

Republic Act No. 7160, otherwise known as the Local Government Code of 1991 (**LGC**) establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states that every local government unit (**LGU**) shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

The power to tax and police power are exercised by the LGU through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, impose real property taxes, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Businesses are required to obtain a local business permit from the local government unit having jurisdiction over the territory where an entity seeks to operate before commencement of actual operations. A local business permit is issued only after compliance with certain local government requirements, including, but not limited to, a Sanitary Permit, Certificate of Electrical Inspection, Fire Safety Inspection, Locational Clearance, Barangay Business Clearance and payment of the required fees. These ancillary permits are valid for one year and must be renewed before the local business permit is issued. Failure to obtain a local business permit may expose an entity to fines and penalties, and even suspension or closure of its business.

Under the implementing rules and regulations of the Food Safety Act, LGUs must issue business permits to food business operators (**FBOs**) indicating compliance with the LGU's sanitation code and such other food safety

requirements that may be prescribed by the LGU. Such permit authorizes FBOs to market their products within the territorial jurisdiction of the LGU.

Electronic Commerce Act

Republic Act No. 8792 or the Electronic Commerce Act of 2000 (**R.A. No. 8792**) recognizes the vital role of information and communications technology in nation building, and the need to create an information-friendly environment which supports and ensures the availability, diversity and affordability of information and communications technology products and services. It aims to facilitate domestic and international dealings, transactions, arrangement agreements, contracts and exchanges and storage of information through the utilization of electronic, optical and similar media to promote the universal use of electronic transaction in the government and general public.

R.A. No. 8792 restricts access to an electronic file, or an electronic signature of an electronic data message or electronic document only in favor of the individual or entity having a legal right to the possession or the use of plaintext, electronic signature or file and solely for authorized purposes. The law also ensures confidentiality and prohibits any person who obtains access to any electronic key, electronic data message, electronic document, book, register, correspondence, information, or other material pursuant to any powers conferred under the said law, from convening to or sharing the same with any other person, except for purposes expressly authorized by law. The implementing rules of the law provide that the electronic key for identity or integrity shall not be made available to any person or party without the consent of the individual or entity in lawful possession of that electronic key.

The law clarifies that violations of the Consumer Act of the Philippines or Republic Act No. 7394 and other related laws through transactions covered by or using electronic data messages or electronic documents shall be penalized with the same penalties as provided therein.

Intellectual Property Code

Under the Intellectual Property Code of the Philippines (**IP Code**), the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the registrant's ownership of the mark. A certificate of registration shall remain in force for an initial period of ten (10) years and may be renewed for periods of ten (10) years at its expiration.

The IP Code applies to license agreements which generally fall within the definition of technology transfer arrangements (**TTAs**). The IP Code defines TTAs as contracts or agreements involving the transfer of systematic knowledge for the manufacture of a product, the application of a process, or rendering of a service including management contracts; and the transfer, assignment or licensing of all forms of intellectual property rights, including licensing of computer software, except computer software developed for the mass market. TTAs must comply with Sections 87 and 88 of the IP Code, i.e. TTAs cannot contain the provisions which are prohibited under Section 87 but must contain the mandatory provisions under Section 88. Failure to comply with these provisions of the IP Code will automatically render the entire arrangement unenforceable.

Customs Modernization and Tariff Act

Republic Act No. 10863 or the Customs Modernization and Tariff Act (the **CMTA**) requires all goods imported from any foreign country into the Philippines, to be subject to import taxes.

In 2018, Department of Finance Order No. 11-2018 (**D.O. No. 11-2018**) repealed the Bureau of Internal Revenue Import Clearance Certificate requirement for importers. In accordance with the CMTA, D.O. No. 11- 2018 and Customs Memorandum Order No. 05-2018 (**C.M.O. No. 05-2018**) provides that the authority to accredit and register importers and customs brokers is reverted solely to the Bureau of Customs (**BOC**). In 2019, the BOC issued Customs Memorandum Order No. 31-2019, amended C.M.O. No. 05-2018 and provided for the guidelines for accreditation of importers and customs brokers, to ensure that no accredited importers may be used as dummies, thus maximizing the accountability of real importers and ensuring compliance with Republic Act No. 11032, or the Ease of Doing Business Act.

ENVIRONMENTAL MATTERS

The operations of the businesses of the Company are subject to various laws, rules and regulations that have been promulgated for the protection of the environment.

Philippine Environmental Impact Statement System

The Philippine Environmental Impact Statement System (the **EISS Law**) established under Presidential Decree No. 1586, which is implemented by the DENR, is the general regulatory framework for any project or undertaking that is either (i) classified as environmentally critical or (ii) is situated in an environmentally critical area. The DENR, through its regional offices or through the Environmental Management Bureau (**EMB**), determines whether a project is environmentally critical or located in an environmentally critical area and processes all applications for an Environmental Compliance Certificate (**ECC**).

The law requires an entity that will undertake any such declared environmentally critical project or operate in any such declared environmentally critical area to submit an Environmental Impact Statement (**EIS**) which is a comprehensive study of the significant impacts of a project on the environment. The EIS serves as an application for the issuance of an ECC, if the proposed project is environmentally critical or situated in an environmentally critical area; or for the issuance of a Certificate of Non-Coverage, if otherwise. An ECC is a Government certification that, among others: (i) the proposed project or undertaking will not cause significant negative environmental impact; (ii) the proponent has complied with all the requirements of the EISS Law in connection with the project; and (iii) the proponent is committed to implement its approved Environmental Management Plan (**EMP**) in the EIS. The EMP details the prevention, mitigation, compensation, contingency and monitoring measures to enhance positive impacts and minimize negative impacts and risks of a proposed project or undertaking.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents are also required to establish an Environmental Monitoring Fund (**EMF**) when an ECC is eventually issued. The EMF is to support the activities of the team monitoring the project proponent's compliance with ECC conditions, EMP and applicable laws, rules and regulations.

The Clean Water Act

Republic Act No. 9275 or the Clean Water Act and its implementing rules and regulations provide for water quality standards and regulations for the prevention, control, and abatement of pollution of the water resources of the country. The Clean Water Act requires owners or operators of facilities that discharge regulated effluents (such as wastewater from manufacturing plants or other commercial facilities) to secure a discharge permit from the DENR which authorizes the owners and operators to discharge waste and/or pollutants of specified concentration and volumes from their facilities into a body of water or land resource for a specified period of time. The discharge permit specifies the quantity and quality of effluents that the holder of the permit is allowed to discharge as well as the validity of the permit. The discharge permit is valid for a maximum period of five years from the date of its issuance, renewable for five-year periods thereafter. The Department may, however, renew the discharge permit

and keep it valid for a longer period if the applicant has adopted waste minimization and waste treatment technologies, consistent with incentives currently provided, and has been paying the permit fees on time. The DENR, together with other Government agencies and the different local Government units, is tasked with implementing the Clean Water Act and with identifying existing sources of water pollutants, as well as strictly monitoring pollution sources which are not in compliance with the effluent standards provided in the law.

The Water Code

Presidential Decree No. 1067, or "The Water Code of the Philippines," requires a water permit for the appropriation or use of natural bodies of water. Use or appropriation of water includes, among others, the utilization of water in factories, industrial plants and mines, including the use of water as an ingredient of a finished product. Appropriation of water without a water permit, when one is required, is subject to the imposition of the corresponding penalties imposed by the Water Code and its implementing rules and regulations.

The Clean Air Act

Pursuant to Republic Act No. 8749 or the Clean Air Act of 1999 and its implementing rules and regulations, enterprises that operate or utilize air pollution sources are required to obtain a Permit to Operate from the DENR with respect to the construction or the use of air pollutants. Said permit shall cover emission limitations for the regulated air pollutants to help maintain and attain the ambient air quality standards. A permit duly issued shall be valid for the period specified therein but not beyond one year from the date of issuance unless sooner suspended or revoked. It may be renewed by filing an application for renewal at least thirty days before the expiration date and upon payment of the required fees and compliance with requirements. The issuance of the permit does not, however, relieve the permittee from complying with the requirements of the Clean Air Act and its implementing rules and regulations.

Other Environmental Laws

Other regulatory environmental laws and regulations applicable to the businesses of the Company include the following:

- Republic Act No. 6969 or the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, which regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substances and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry as well as transit into the Philippines, or the keeping or storage and disposal of hazardous wastes which include by-products, side-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. Under this law, before any new chemical substance or mixture can be manufactured, processed or imported for the first time, the manufacturer, processor, or importer shall first submit information pertaining to the: (i) name of chemical substance or mixture; (ii) its chemical identity and molecular structure; (iii) proposed categories of use; (iv) estimate of the amount to be manufactured, processed or imported; (v) processing and disposal thereof; and (vi) any test date related to health and environmental effects which the manufacturer, processor or importer has. The said law is implemented by the DENR.

- Republic Act No. 9003 or the Ecological Solid Waste Management Act of 2000, which provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The National Solid Waste Management Commission, together with other Government agencies and the different local Government units, are responsible for the implementation and enforcement of the said law.

- Presidential Decree No. 856 or the Code on Sanitation of the Philippines (the **Sanitation Code**), which provides for sanitary and structural requirements in connection with the operation of certain

establishments such as industrial and food establishments. Food establishment is defined as any establishment where food or drinks are manufactured, processed stored, sold, or served. Under the Sanitation Code, which is implemented by the Philippine Department of Health, no person, firm, corporation, or entity shall operate a food establishment without first obtaining a sanitary permit. The permit shall be valid for one year, and shall be renewed every year.

- Republic Act No. 4850 or the law creating the Laguna Lake Development Authority (the **LLDA**) was issued to promote and accelerate the balanced growth of the Laguna de Bay Region. The LLDA is mandated to manage and protect the environmentally critical Laguna de Bay Region. It is empowered to pass upon and approve or disapprove all plans, programs, and projects proposed by local government offices or agencies within the region, public corporations, and private persons or enterprises where such plans, programs, and projects are related to the development of the region. The jurisdiction and scope of authority of the LLDA comprises the towns of Rizal and Laguna Provinces, the towns of Silang, General Mariano Alvarez, Carmona, Tagaytay City in Cavite, Lucban, Quezon, City of Tanauan, the towns of Sto. Tomas and Malvar in Batangas, Cities of Marikina, Pasig, Taguig, Muntinlupa, Pasay, Caloocan and Quezon, and the town of Pateros in Metro Manila. Accordingly, any person, natural and juridical, with existing and/or new development projects and activities within these areas is required to secure an LLDA clearance, which is issued upon submission of an application and the supporting financial documents.

LAWS AND REGULATIONS OF THE UNITED KINGDOM

Along with its co-manufacturers, brokers, distributors and suppliers of ingredients and packaging, the Group is subject to extensive laws and regulations in the U.K., especially laws and regulations with respect to production, distribution, sales and other handlings of food. Such laws and regulations primarily include the Food Standards Act 1999, the Food Safety Act 1990, Regulation (EC) No 178/2002 and Regulation (EU) No 1169/2011. The European Union (Withdrawal) Act 2018, as amended, provides that direct EU legislation and EU derived domestic legislation, so far as having effect immediately before exit day, continues to have effect and form part of domestic law on and after exit day, therefore enabling Regulation (EC) No 178/2002 and Regulation (EU) No 1169/2011 to continue to have effect in the U.K.

Food Standards Act 1999

The Food Standards Act 1999 establishes Food Standards Agency of the United Kingdom and gives the Food Standards Agency powers for and functions of protecting public health from risks which may arise in connection with the consumption of food (including risks caused by the way in which it is produced or supplied) and otherwise protecting the interests of consumers in relation to food.

Food Safety Act 1990

The Food Safety Act 1990 provides the framework for food safety and obligations on food producers and handlers. It is the responsibility of food businesses to ensure food is safe to eat (including not adding anything to, removing anything from, or treating food in such a way as to make it harmful); to ensure food labelling is not misleading; to withdraw unsafe food and provide sufficient information as to why it has been withdrawn; and to display their food hygiene rating if selling direct to the public.

The Food Safety Act 1990 includes offenses for any food business that:

- whether deliberately or not, renders food injurious to health by (i) adding a substance or using a substance in its preparation, (ii) removing any constituent part from it, or (iii) subjecting it to any other process or treatment;

- sells, to the purchaser’s prejudice, food which is not of the nature, substance or quality demanded. The purchaser can be either a consumer or a business; and

- labels or advertises food in such a way that is false or misleading as to the nature or quality of the food. This applies to both consumer and business purchasers.

Regulation (EC) No 178/2002

Regulation (EC) No 178/2002 (**EU General Food Law**), lays down general principles and requirements of food law, provides procedures in matters of food safety, and establishes the European Food Safety Authority. Among the major requirements of EU General Food Law are: Article 14, which provides general food safety requirements; Article 17, which imposes on food business operators a general obligation to ensure that the operations under their control satisfy the relevant food law requirements and an obligation to verify that such requirements are met; Article 18, which imposes a mandatory traceability requirement along the food chain; and Article 19, which places obligations on food businesses to withdraw, and/or recall, food from the market if it is not in compliance with the food safety requirements of Article 14. The traceability requirement under Article 18 applies to all food, animal feed, food-producing animals and all types of food chain operators, including in the farming, processing, transportation, storage, distribution and retail sectors. Information including the name, address of the producer, nature of the products and date of transaction must be systematically registered by each operator's traceability system. This information must be kept for five years and upon request, must be made immediately available to the competent authorities.

Regulation EU 1169/2011

Regulation EU 1169/2011, or the EU Food Information Regulation, requires food and nutritional information to be provided to consumers on product labelling. It sets the rules on:

- mandatory information for food labels including, among others, allergen and nutritional information;
- presentation, style and positioning of this mandatory information;
- advertisements and distance selling; and
- legal responsibility for compliance.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The overall management and supervision of the Company is undertaken by the board of directors (the **Board**) at the direction of the shareholders. The Company's executive officers and management team support the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review.

THE BOARD AND SENIOR MANAGEMENT

On March 1, 2021, the Board and the shareholders of the Company approved the amendment of the Articles of Incorporation of the Company to provide, among others, the increase in board seats from seven (7) to nine (9). The following table sets out certain information regarding the members of the Board as of the date of this Prospectus.

Name	Age	Citizenship	Position
Hartono Kweefanus	71	Indonesian	Chairman of the Board
Hoediono Kweefanus	69	Indonesian	Vice Chairman and Director
Betty T. Ang	66	Filipino	President and Director
Henry Soesanto	69	Indonesian	Chief Executive Officer, Executive Vice President, and Director
Monica Darmono	66	Indonesian	Director and Treasurer
David Nicol(1)	61	Australian	Director
Helen G. Tiu(2)	60	Filipino	Director
Delfin L. Lazaro(3)	75	Filipino	Independent Director
Nina Perpetua D. Aguas(4)	68	Filipino	Independent Director
Kataline Darmono(5)	42	Indonesian	Non-executive Director
Marie Elaine Teo(6)	54	Singaporean	Independent Director

(1) On March 1, 2021, David Nicol was elected as director of the Company and his term will end on April 15, 2021.

(2) On March 1, 2021, Helen G. Tiu was elected as director of the Company and her term will end on April 15, 2021.

(3) On March 1, 2021, Delfin L. Lazaro was elected as independent director of the Company effective April 15, 2021, to serve the unexpired term of David Nicol whose term is up to April 15, 2021.

(4) On March 1, 2021, Nina Perpetua D. Aguas was elected as independent director of the Company effective April 15, 2021, to serve the unexpired term of Helen G. Tiu whose term is up to April 15, 2021.

(5) On March 1, 2021, Kataline Darmono was elected as director of the Company subject to the approval by the Philippine SEC of the amendments to the Articles of Incorporation and By-Laws of the Company to reflect, among others, the increase in the number of directors from seven (7) to nine (9). Her term as director shall commence upon approval of the Philippine SEC of such amendments.

(6) On March 1, 2021, Marie Elaine Teo was elected as director of the Company subject to the approval by the Philippine SEC of the amendments to the Articles of Incorporation and By-Laws of the Company to reflect, among others, the increase in the number of directors from seven (7) to nine (9). Her term as director shall commence upon approval of the Philippine SEC of such amendments.

The following table sets out certain information regarding the Company's executive officers.

Name	Age	Citizenship	Position
Betty Ang	66	Filipino	President
Henry Soesanto	69	Indonesian	Chief Executive Officer
Monica Darmono	66	Indonesian	Treasurer
David Nicol	61	Australian	Chief Strategy Officer
Tomasito D. Tiu	62	Filipino	Vice President for Manufacturing
Marivic N. Cajucom-Uy	56	Filipino	Chief Sustainability Officer
Helen G. Tiu	60	Filipino	Chief Legal Officer, Corporate Secretary and Data Protection Officer
Jesse C. Teo	49	Filipino	Chief Financial Officer
Samuel C. Sih	57	Filipino	National Sales Director
Michael J. Paska	51	American	Corporate Business Development and Investor Relations Director
Michael Stanley D. Tan	49	Filipino	Supply Chain Director
Melissa Chua-Pabustan	48	Filipino	Marketing Director
Daniel Teichert	42	German	Chief Risk Executive
Jon Edmarc R. Castillo	34	Filipino	Chief Compliance Officer
Shiela Alarcio	40	Filipino	Chief Internal Audit Executive

Name	Age	Citizenship	Position
Katherine C. Lee-Bacus	31	Filipino	Assistant Corporate Secretary

The following table sets out certain information regarding the Company's management team.

Name	Position	Number of years in		
		Industry	Philippines	the Group
Betty Ang	President	42	42	42
Henry Soesanto	Chief Executive Officer	45	40	40
David Nicol	Chief Strategy Officer	8	11	<1
Tomasito D. Tiu	Vice President for Manufacturing	40	40	22
Marivic N. Cajucom-Uy	Chief Sustainability Officer	36	36	32
Samuel C. Sih	National Sales Director	31	31	31
Helen G. Tiu	Chief Legal Officer	24	37	7
Jesse C. Teo	Chief Financial Officer	26	21	6
Michael Stanley D. Tan	Supply Chain Director	28	24	2
Melissa Chua-Pabustan	Marketing Director	27	27	24
Michael J. Paska	Corporate Business Development and Investor Relations Director	20	10	2

The business experience of each of the Company's directors and executive officers for the last five years, is set out below.

DIRECTORS

Mr. Hartono Kweefanus, aged 71, currently serves as Chairman of the Board and Director. He also serves as chairman of the board of directors of MMYSC, PT Khong Guan Biscuit Indonesia, and KBT International Holdings, Inc.; and as director of Monde Land, Inc., Monde Nissin Singapore Pte. Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, Suntrak Corporation, Monexco International Ltd., and Monde Nissin (Thailand) Co., Ltd. He graduated from Nanyang University, Singapore where he majored in Industrial and Business Management.

Mr. Hoediono Kweefanus, aged 69, serves as Vice Chairman of the Board and Director. He is president and director of P.T. Nissin Biscuit and P.T. Monde Makkota; and serves as a director of Monde Nissin Singapore Pte. Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, KBT International Holdings, Inc., Monexco International Ltd., and Monde Nissin (Thailand) Co. Ltd. Mr. Kweefanus graduated from Nanyang University Singapore with a Bachelor of Commerce degree.

Ms. Betty T. Ang, aged 66, serves as Director and President of the Company. She also serves as a director of Suntrak Corporation. Ms. Ang graduated from Assumption College with a Bachelor of Commerce, majoring in Business Management.

Mr. Henry Soesanto, aged 69, serves as Executive Vice-President, Chief Executive Officer, and Director of the Company. He is the president of MMYSC, and likewise serves on the board of directors of Monde Land, Inc., Monde Rizal Properties, Inc., Monde Nissin Singapore Pte. Ltd., Monde Nissin UK Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, All Fit & Popular Foods Inc., Monde Nu Agri Corporation, Suntrak Corporation, KBT International Holdings, Inc., Sarimonde Foods Corporation, Monexco International Ltd., and Monde Nissin (Thailand) Co. Ltd. He is also the treasurer and a director at Monde Malee Beverage Corporation. Mr. Soesanto graduated from the Institute of Technology, Surabaya, Indonesia with a Bachelor of Science, majoring in Chemical Engineering, and a Master of Science in Chemical Engineering, and finished eCornell University, USA's Plant-Based Nutrition Certificate Program.

Ms. Monica Darmono, aged 66, serves as Director and Treasurer of the Company. She is also the treasurer of KBT Holdings, Inc. and is the treasurer and a director at Monde Malee Beverage Corporation. Ms. Darmono also serves as director of Monexco International Ltd. She graduated from the Standard College of Singapore with a Bachelor of Science, majoring in Accounting.

Mr. Delfin L. Lazaro, aged 74, will serve as an Independent Director of the Company. He also serves on the board of directors of AC Industrial Technology Holdings, Inc., Ayala Corporation, AYC Holdings, Ltd., Purefoods International Limited, AC International Finance Limited, Manila Water Company, Inc., Integrated Micro-Electronics, Inc., and Globe Telecom, Inc. Mr. Lazaro is also the chairman and president of A.C.S.T. Business Holdings, Inc., Bellbridge Resources Corporation, Beyond Borders Medical Solutions, Inc., Lazaro Agricultural Corporation, DLL Shaw Holdings Corporation, DLL Woodstown Holdings Corporation, DLL Maunong Holdings Corporation. He is also the President and CEO of Quezon Avenue Holdings, Inc., the vice chairman and president of Asiacom Philippines, Inc., the treasurer of Probe Productions, Inc., and is an advisor to the board of Ayala Land, Inc. as well as being a member of the advisory council of the Bank of the Philippine Islands. He earned his Bachelor of Science in Metallurgical Engineering from the University of the Philippines, and his Masters of Business Administration (with distinction) from the Harvard Graduate School of Business.

Ms. Nina Perpetua D. Aguas, aged 68, will serve as an Independent Director of the Company. She also currently serves as the chairman of the boards of The Insular Life Assurance Co. Ltd., Insular Healthcare Inc., Insular Foundation, Inc., and Bank of Florida, and as a director of Unionbank of the Philippines. She is a member of the World Bank Group's Advisory Council on Gender and Development, and a trustee in the Insurance Institute for Asia and Pacific. She received her Bachelor of Science in Commerce, Accounting from the University of Santo Tomas.

Ms. Kataline Darmono, aged 42, will serve as a non-executive Director of the Company. She currently serves on the board of directors of PT Citra Pangan Indah, PT Wahana Mekar Lestari, PT Serena Citra Rasa, PT Khong Guan Biscuit Indonesia, and PT Serena Indopangan Industri. She received her Bachelor of Arts, majoring in Finance, from Lehigh University, Pennsylvania, the U.S., and her Masters of Business Administration from Pepperdine University, California, the U.S.

Ms. Elaine Teo, aged 54, will serve as an Independent Director of the Company. She also currently serves as a director of Mapletree Investments Pte Ltd, Mapletree Oakwood Pte Ltd and ICHX Tech Pte Ltd, and as non-executive and independent director of Olam International Ltd, and GK Goh Holdings Ltd. Ms. Teo has around 20 years of public market investment experience. She was formerly the chairman of Capital International Research Group and managing director of Capital International Inc., Asia. At the Capital Group companies, she held oversight and board level responsibilities in Asia for global emerging markets and group operations across risk control, portfolio management, operations, human capital, and client services. Ms. Teo holds a Bachelor of Arts (Honours) in Experimental Psychology from Oxford University.

Mr. David Nicol, aged 61, serves as Director and Chief Strategy Officer of the Company. He has previously served as executive vice president, chief financial officer, and director of Metro Pacific Investments Corporation; director of Reconomy (Holdings) Limited; interim group CEO of Pinnacle Regeneration Corporation; president and CEO for Europe and Asia Pacific SIRVA, Incorporated; CEO and CFO of Berli Jucker PCL; vice president of finance of First Pacific Company Limited, and Chartered Accountant with PriceWaterhouse Coopers. He received a Bachelor of Science (Honours, 1st Class) in Management Sciences from the University of Lancaster, England.

Ms. Helen G. Tiu, aged 60, serves as Director, Chief Legal Officer, Corporate Secretary, and Data Protection Officer of the Company. She serves as director and corporate Secretary of Sarimonde Foods Corporation and Monde Malee Beverage Corporation; as a trustee of the Harvard Law School Alumni Association of the Philippines; and as assistant corporate secretary for Philstar Daily, Inc., Pilipino Star Ngayon, Inc., and Pilipino Star Printing Co., Inc.; and as corporate secretary for Philstar Global Corporation and JS Publications (The Freeman) Co., Inc. Ms. Tiu also previously served as independent director for NiHAO Mineral Resources International, Inc., Asiabest Group International, Inc., and Dizon Copper Silver Mines, Inc., and as a director in Petron Corporation; as president of the Harvard Law School Alumni Association of the Philippines; as corporate secretary for Aboitiz Transport System (ATSC) Corporation; and as a partner in SGV & Co. She is a member of the Integrated Bar of the Philippines, the UP Women Lawyer's Circle, Inc, the Good Governance Advocates and Practitioners of the Philippines (GGAPP), the Harvard Law School Alumni Association of the Philippines, and the Harvard Club of the Philippines Foundation, Inc. Ms. Tiu received her Bachelor of Science in Business

Administration and Accountancy (cum laude) and Bachelor of Laws from the University of the Philippines, and her Master of Laws from Harvard University.

EXECUTIVE OFFICERS AND MANAGEMENT

Mr. Tomasito D. Tiu, aged 62, serves as the Vice-President for Manufacturing of the Company. He previously served as strategic projects manager for Coca-Cola Bottlers, engineering manager for APV Philippines, and manufacturing manager for SMC-Magnolia. He has a Bachelor of Science in Chemical Engineering from the University of Santo Tomas.

Ms. Marivic N. Cajucom-Uy, aged 56, serves as Chief Sustainability Officer of the Company. She has been with the Company since 1989, and has served in various capacities, including Sustainability Director, Internal Consulting Director, Core Business Strategy Director, Marketing Director and Marketing Manager. Ms. Cajucom-Uy received her Bachelor of Arts in Economics (cum laude) from the University of the Philippines.

Mr. Samuel C. Sih, aged 57, serves as National Sales Director of the Company. He was previously manager of the Seiko Service Center Head Office. He has degrees in BS Commerce Major in Business Management, and Graduate Studies – Management from De La Salle University.

Mr. Jesse C. Teo, aged 49, serves as Chief Financial Officer of the Company. He also serves as director of Monde Nissin Singapore Pte. Ltd., Monde Nissin UK Ltd., Monde Nissin New Zealand Ltd., and Sarimonde Foods Corporation. He graduated from the Ateneo de Manila with a degree in BS Management – Honours Program.

Mr. Michael Stanley D. Tan, aged 48, serves as Supply Chain Director of the Company. He has previously served in various capacities including Site Director, Papers operations Manager, and Start-Up Consultant at Proctor and Gamble. He has a Bachelor of Science in Electrical Engineering from Silliman University.

Mr. Michael J. Paska, aged 51, serves as Corporate Business Development and Investor Relations Director of the Company. He was previously an independent consultant of ADB, and was connected with Edtech Capital Advisors, Amalgamated Investment Bancorporation, Fortman Cline Capital Markets, Groveland Capital, Whitebox Advisors, Wachovia Securities (now Wells Fargo), Progress Energy, Andersen Consulting (now Accenture), and the Central Intelligence Agency. He has a Bachelor of Science in Electrical Engineering from the University of Minnesota, a Master of Economics from North Carolina State University, and an MBA from the University of Chicago.

Ms. Melissa Chua-Pabustan, aged 48, serves as Marketing Director of the Company. She was previously connected with RFM Corporation, and has degrees in BS Applied Economics and BS Marketing Management from De La Salle University.

Mr. Daniel Teichert, aged 42, serves as Chief Risk Officer of the Company. He has served in various financial management roles, including as Vice President Finance of the IT Sourcing Division at Siemens Inc. Philippines. He was also the CFO of ATOS Philippines, and Vice President Corporate – Head of Finance at Atlantic, Gulf and Pacific. He has degrees in Industriekaufmann (IHK, DE) from Siemens AG "Stammhauslehre," Bachelor in Commercial Economics from Hogeschool Zeeland, NL, and Betriebswirt (VWA), Verwaltungs- und Wirtschaftakademie, (Essen DE).

Mr. Jon Edmarc R. Castillo, aged 34, is a member of the Philippine Bar and serves as the Chief Compliance Officer of the Company. He was a Senior Associate at SyCip Salazar Hernandez & Gatmaitan, and litigation, labor and permits Manager of Philex Mining Corporation. He was also a researcher at the University of the Philippines Law Center. He received his J.D. from the University of the Philippines College of Law, and his Bachelor of Arts (magna cum laude), from the University of the Philippines – Diliman.

Ms. Shiela Alarcio, aged 40, serves as the Company's Chief Internal Audit Executive. She was previously the head of Group Internal Audit at AIA PhilamLife, head of internal audit at Splash Corporation, and senior audit

manager at PricewaterhouseCoopers (Manila and London). She received her Bachelor of Science in Accountancy from St. Scholastica's College.

Ms. Katherine C. Lee-Bacus, aged 31, serves as Assistant Corporate Secretary of the Company. She was previously an associate at SyCip Salazar Hernandez & Gatmaitan, a risk and internal audit associate at Isla Lipana & Co., and an audit specialist at Bank of the Philippine Islands. She received her J.D. from Ateneo Law School, and her Bachelor of Science in Accountancy from Saint Louis College.

FAMILY RELATIONSHIPS

Mr. Hartono Kweefanus, Mr. Hoediono Kweefanus, and Ms. Monica Darmono are siblings. Ms. Betty Ang is married to Mr. Hoediono Kweefanus and Mr. Henry Soesanto is married to Ms. Monica Darmono. Ms. Kataline Darmono is the daughter of Mr. Hartono Kweefanus.

Other than the foregoing, there are no family relationships either by consanguinity or affinity up to the fourth civil degree among our Directors, executive officers and management members.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

To the best of the Company's knowledge and belief and after due inquiry, none of the Directors, nominees for election as director, or executive officers of the Company and affiliates has in the five year period prior to the date of this Prospectus: (1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) been convicted by final judgment in a criminal proceeding, domestic or foreign, or has been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (4) been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

CORPORATE GOVERNANCE

The Company recognizes that good corporate governance helps build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity. It is committed to observing the highest standards of, and best practices in, corporate governance as articulated in the Company's organizational charters, its Corporate Governance Manual, Code of Conduct and Ethics, and as provided in the pertinent laws, and the rules, regulations and issuances implemented or promulgated by the Philippine SEC.

The Company has a Corporate Governance Manual which was approved and adopted by its Board of Directors on March 1, 2021. The Corporate Governance Manual has been submitted to the Philippine SEC in compliance with SEC Memorandum Circular No. 19, Series of 2016, or the Code of Corporate Governance for Publicly-Listed Companies.

COMMITTEES OF THE BOARD

On March 1, 2021, the Board of Directors and shareholders of the Company approved the adoption of new By-Laws of the Company to provide for, among others, the creation of the following board committees, setting out their composition and functions and responsibilities. The members of each of the board committees below shall be elected upon approval by the Philippine SEC of the amendments to the By-Laws of the Company:

Executive Committee

The Executive Committee assists the Board and the officers of the Company in the management and direction of the affairs of the Company, and also exercises the powers and attributes of the Board during the intervening period between the Board's meetings, as may be allowed by law. The Executive Committee is composed of not less than three (3) but not more than five (5) directors elected and appointed by a majority of the Board. The chairman shall be an executive director.

Audit Committee

The Audit Committee serves to enhance the Board's oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It is composed of not less than three (3) appropriately qualified non-executive directors, a majority of whom, including the chairman, should be independent directors. All of the members of the Audit Committee must have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and/or finance. The chairman shall not be the chairman of the Board or of any other committee.

Corporate Governance, Nomination and Remuneration Committee

The Corporate Governance, Nomination and Remuneration Committee oversees corporate governance responsibilities, promulgates guidelines for the conduct of the nomination, and establishes the screening policies and procedures of the review of all nominees for the position of directors/members of the Board, including independent directors. It also recommends to the Board remuneration for directors. It is composed of at least three (3) non-executive directors, all of whom, including the chairman, shall be independent directors to the maximum extent possible.

Risk and Related Party Transactions Committee

The Risk and Related Party Transactions Committee is responsible for the oversight of the Company's enterprise risk management system and the review of all the related party transactions of the Company. It is composed of at least three (3) non-executive directors, the majority of whom should be independent directors, including the chairman. The chairman of the Board Risk Oversight Committee must not be the chairman of the Board or of any other committee. At least one (1) member of the committee must have knowledge and experience of risk management.

EXECUTIVE COMPENSATION TABLE

Compensation

The following table sets out the Company's President, and the four most highly compensated executive officers for the years ended December 31, 2019, 2020 and 2021[1]:

Name	Position
Betty Ang	President and Director
Henry Soesanto	Chief Executive Officer and Director
Tomasito D. Tiu[2]	Vice President for Manufacturing
Marivic N. Cajucom-Uy	Chief Sustainability Officer
Samuel C. Sih	National Sales Director

Note:

1 *Projected.*

2 *Mr. Tomasito D. Tiu will retire on March 31, 2021.*

The following table identifies and summarizes the aggregate compensation of the Company's President and the four most highly compensated executive officers, as well as the aggregate compensation paid to all other directors and all other officers as a group, for the years ended December 31, 2019, 2020 and 2021[1]:

	Year	Salary	Bonus	Variable Pay
			(₱ million)	
President and the four most highly compensated executive officers named above	2019	34.9	116.5	3.0
	2020	35.8	132.6	3.4
	2021	37.1	145.8	3.6
Aggregate compensation paid to all other directors and all other officers as a group (honoraria and retainers)	2019	41.8	34.0	5.0
	2020	49.6	44.4	7.4
	2021	82.5	54.1	10.7

Note:

1. Estimated amounts.

The following table sets out the compensation of key management personnel for the years ended December 31, 2018, 2019 and 2020. Key management personnel refer to the executive officers described in "— *The Board and Senior Management*."

	For the year ended December 31		
	2018	**2019**	**2020**
		(₱ million)	
Short-term employee benefits..............................	1,003.1	1,629.4	1,207.3
Post-employee benefits	8.7	2.4	104.0
Total	**1,011.8**	**1,631.8**	**1,311.3**

Standard Arrangements

Other than payment of reasonable per diem and other fees as may be determined by the Board for attendance by certain directors at its meetings, there are no standard arrangements pursuant to which the directors are compensated directly or indirectly, for any services provided as a director and for their committee participation or special assignments.

SIGNIFICANT EMPLOYEES

While the Company values the contribution of each of its executive and non-executive employees, the Company believes there is no single executive or non-executive employee, the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

EMPLOYMENT CONTRACTS BETWEEN THE COMPANY AND EXECUTIVE OFFICERS AND SENIOR MANAGEMENT

There is no special employment contract between the Company and the named executive officers or the senior management members.

WARRANTS AND OPTIONS OUTSTANDING

As of the date of this Prospectus, there are no outstanding warrants or options held by the Company's Chairman and President, the named executive officers, or all officers and directors of the Company as a group.

SHAREHOLDERS

The following table sets forth the Company's shareholders as of the date of this Prospectus:[218]

Shareholder Name	No. of Shares	Percentage
Hartono Kweefanus[1]	4,214,244,600	29.33%
Hoediono Kweefanus[1]	948,324,600	6.60%
Betty Ang[1]	3,265,920,000	22.73%
Henry Soesanto[1]	1,814,633,792	12.63%
Monica Darmono[1 5]	765,897,598	5.33%
Eveline Darmono[1]	765,897,600	5.33%
Anna Roosdiana Darmono[1]	765,897,600	5.33%
My Crackers, Inc.	1,228,611,496	8.55%
James Ang Yok Teck[2]	381,060,000	2.65%
Daniel Ang	109,062,000	0.76%
Ramon Raganas[2]	81,468,000	0.57%
Cynthia Ang	27,594,000	0.19%
Adrian Foo Qijing[3]	200	0.00%
Nina Perpetua D. Aguas	2	0.00%
Helen G. Tiu[4]	2	0.00%
David Nicol[4]	2	0.00%
Delfin L. Lazaro	2	0.00%
Kataline Darmono[5]	0	0.00%
Marie Elaine Teo[5]	2	0.00%

Note:

1. Mr. Hartono Kweefanus, Mr. Hoediono Kweefanus, Ms. Monica Darmono, Ms. Eveline Darmono and Ms. Anna Roosdiana Darmono are siblings. Ms. Betty Ang is married to Mr. Hoediono Kweefanus and Mr. Henry Soesanto is married to Ms. Monica Darmono. Ms. Kataline Darmono is the daughter of Mr. Hartono Kweefanus. Mr. Daniel Ang is the younger brother of Ms. Betty Ang. Ms. Cynthia Ang is the auntie of Ms. Betty Ang while Mr. James Ang Yok Teck (deceased) is a cousin of Ms. Betty Ang.
2. Mr. James Ang York Tech and Mr. Ramon Raganas are deceased and their shares vested in their successors. Mr. Ramon Raganas' shares will be transferred entirely to his son Mr. Raymund C. Raganas. The Company is awaiting the receipt of an original copy of the related tax clearance regarding Mr. Ramon Raganas' shares. The tax clearance was issued by the Bureau of Internal Revenue on March 11, 2021.
3. Mr. Adrian Foo Qijing will transfer 200 shares to Mr. Henry Soesanto and cease to be a shareholder before the Offer. The Company expects this process to be completed in April 2021.
4. Ms. Helen G. Tiu and Mr. David Nicol will transfer back their respective nominee shares to Mr. Henry Soesanto after April 15, 2021 and in any event, before the Listing Date.
5 As of March 25, 2021, Ms. Marie Elaine Teo is the registered shareholder of one common share of the Company (equivalent to two common shares after the share split described in footnote 218) which nominee share was transferred to her by Ms. Monica Darmono under a certain Declaration of Trust and Deed of Assignment by and between Ms. Monica Darmono and Ms. Marie Elaine Teo and authenticated before the Philippine Embassy in Singapore on March 15, 2021. Ms. Monica Darmono is in the process of transferring another nominee share to Ms. Kataline Darmono to qualify her for directorship on the Board.

SELLING SHAREHOLDER

The table below sets forth, for the Selling Shareholder, the number of Shares held by the Selling Shareholder before the Offer, the number of Shares to be sold in the Offer and the number of Shares to be owned by the Selling Shareholder immediately after the Offer.

The Selling Shareholder comprises Mr. Henry Soesanto.[219]

[218] On March 1, 2021, a majority of the Board and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine SEC. In this section, the numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned decrease of par value.

[219] See footnote 218.

Selling Shareholder	Common Shares held before the Offer	% of Common Shares outstanding before the Offer	Common Shares to be sold in the Firm Offer	Common Shares to be sold pursuant to the Over-allotment Option	No exercise of Over-allotment Option		Full exercise of Over-allotment Option	
					Common Shares held after the Offer	%	Common Shares held after the Offer	%
Henry Soesanto[220] [221]	1,814,633,992	12.63	-	540,000,000	1,814,633,992	[10.10]	1,274,633,992	[7.09]

LOCK-UP

The PSE rules require existing shareholders owning at least 10% of the outstanding shares of a company not to sell, assign or in any manner dispose of their shares for a period of 180 days after the listing of the shares. The following shareholders are covered by the aforesaid 180-day PSE lock-up requirement:[222]

Name of Shareholders	Number of Common Shares Held before the Offer	% Total of Shareholding before the Offer	% Total of Shareholding after the Firm Offer	% Total of Shareholding Assuming Full Exercise of the Over-allotment Option
Hartono Kweefanus	4,214,244,600	29.33	[23.45]	[23.45]
Betty Ang	3,265,920,000	22.73	[18.18]	[18.18]
Henry Soesanto[223] [224]	1,814,633,992	12.63	[10.10]	[7.09]

In addition, if there is any issuance of shares or securities such as private placements, assets for shares swap or a similar transaction or instruments which lead to issuance of shares or securities such as convertible bonds, warrants or a similar instrument that are completed within 180 days prior to the start of the offer period, and the transaction price is lower than the Offer Price in the initial public offering, all such shares or securities shall be subject to a lock-up period of at least 365 days from full payment of such shares or securities. The following shareholder is covered by the aforesaid 365-day lock-up requirement:[225]

Name of Shareholders	Number of Common Shares Held before the Offer	% Total of Shareholding before the Offer	% Total of Shareholding after the Firm Offer	% Total of Shareholding Assuming Full Exercise of the Over-allotment Option
My Crackers, Inc.	1,228,611,496	8.55	[6.84]	[6.84]

[To implement the foregoing lock-up requirements, the PSE requires the applicant company to lodge the shares with the PDTC through a Philippine Central Depository (**PCD**) participant for the electronic lock-up of the shares or enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.]

In addition to the foregoing lock-ups, the Company and the Selling Shareholder have agreed with the Joint Global Coordinators and the Local Lead Underwriters that, except in connection with the Over-allotment Option, they will not, without the prior written consent of the Joint Global Coordinators and the Local Lead Underwriters, issue, offer, pledge, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance,

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[220] Adrian Foo Qijing will transfer 200 shares to Henry Soesanto and cease to be a shareholder before the Offer, and the Company expects this process to be completed in April 2021. The number of shares and the corresponding percentages are stated assuming completion of such transfer.

[221] Helen G. Tiu and David Nicol will transfer back their respective nominee shares to Henry Soesanto after April 15, 2021 and in any event, before the Listing Date. If such transfer takes place before the Offer, the number of Common Shares held by Henry Soesanto will be as follows: (a) before the Offer – 1,814,633,996; (b) after the Offer (if there is no exercise of the Over-allotment Option) – 1,814,633,996; and (c) after the Offer (if there is a full exercise of the Over-allotment Option) – 1,274,633,996. If such transfer takes place after the Offer, the number of Common Shares held by Henry Soesanto will be as follows: (a) before the Offer – 1,814,633,992; (b) after the Offer (if there is no exercise of the Over-allotment Option) – 1,814,633,996; and (c) after the Offer (if there is a full exercise of the Over-allotment Option) – 1,274,633,996. The numbers of shares are stated assuming completion of such transfers and after the share split described in footnote 218.

[222] See footnote 218.

[223] See footnote 220.

[224] Helen G. Tiu and David Nicol will transfer back their respective nominee shares to Henry Soesanto after April 15, 2021 and in any event, before the Listing Date. If such transfer takes place before the Offer, the number of Common Shares held by Henry Soesanto before the Offer will be 1,814,633,996. The number of shares is stated assuming completion of such transfers and after the share split described in footnote 218.

[225] See footnote 218.

offer, sale or disposal of) any Shares or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the listing of the Offer Shares.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS HOLDING MORE THAN 5% OF THE COMPANY'S VOTING SECURITIES AS OF DATE OF THIS PROSPECTUS.[226]

Title of Class	Name and address of record owners and relationship with the Company	Name of beneficial owner and relationship with record owner	Citizenship	No. of Shares held	% of total outstanding Shares
Common shares	Hartono Kweefanus Singapore Shareholder, Director and Chairman of the Board	Hartono Kweefanus	Indonesian	4,214,244,600	29.33
Common shares	Betty Ang Pasig City, Philippines Shareholder, President and Director	Betty Ang	Filipino	3,265,920,000	22.73
Common shares	Henry Soesanto[227] [228] Urdaneta, Philippines Shareholder, Chief Executive Officer, Executive Vice President, and Director	Henry Soesanto	Indonesian	1,814,633,992	12.63
Common shares	My Crackers, Inc. 1763 P.M. Guanzon St., Paco, Manila, Philippines Shareholder	Keng Sun Mar Peter Mar	Filipino Filipino	1,228,611,496	8.55
Common shares	Hoediono Kweefanus Singapore Shareholder, Director and Vice Chairman of the Board	Hoediono Kweefanus	Indonesian	948,324,600	6.60
Common shares	Monica Darmono Makati City, Philippines Shareholder, Director and Treasurer	Monica Darmono	Indonesian	765,897,598	5.33
Common shares	Eveline Darmono c/o Balibago, Sta. Rosa, Laguna Shareholder	Eveline Darmono	Indonesian	765,897,600	5.33
Common shares	Anna Roosdiana Darmono c/o Balibago, Sta. Rosa, Laguna Shareholder	Anna Roosdiana Darmono	Indonesian	765,897,600	5.33

SECURITY OWNERSHIP OF MANAGEMENT AS OF DATE OF THIS PROSPECTUS[229]

Title of Class	Name of beneficial owner	Position	Amount and Nature of Beneficial Ownership	Nationality	% of total outstanding Shares
Common shares	Hartono Kweefanus	Chairman of the Board	4,214,244,600 (direct)	Indonesian	29.33

[226] See footnote 218.
[227] See footnote 220.
[228] See footnote 224.
[229] See footnote 218.

Title of Class	Name of beneficial owner	Position	Amount and Nature of Beneficial Ownership	Nationality	% of total outstanding Shares
Common shares	Hoediono Kweefanus	Vice Chairman of the Board	948,324,600 (direct)	Indonesian	6.60
Common shares	Betty Ang	President and Director	3,265,920,000 (direct)	Filipino	22.73
Common shares	Henry Soesanto[230][231]	Chief Executive Officer, Executive Vice President, and Director	1,814,633,992 (direct)	Indonesian	12.63
Common shares	Monica Darmono	Director and Treasurer	765,897,598 (direct)	Indonesian	5.33
Common shares	Nina Perpetua D. Aguas(1)	Independent Director	2 (direct)	Filipino	0.00
Common shares	Helen G. Tiu(2)	Chief Legal Officer, Corporate Secretary and Data Protection Officer	2 (direct)	Filipino	0.00
Common shares	David Nicol(3)	Chief Strategy Officer	2 (direct)	Australian	0.00
Common shares	Delfin L. Lazaro(4)	Independent Director	2 (direct)	Indonesian	0.00

Note:

(1) Nina Perpetua D. Aguas's term as director of the Company will start on April 15, 2021.

(2) Helen G. Tiu was appointed as director of the Company on March 1, 2021 and her term will end on April 15, 2021.

(3) David Nicol was appointed as director of the Company on March 1, 2021 and his term will end on April 15, 2021.

(4) Delfin L. Lazaro's term as director of the Company will start on April 15, 2021.

Except as disclosed above, none of the Company's other executive officers or department managers own shares directly or indirectly in the Company. Ownership in the Company is limited to that indicated in the foregoing.

VOTING TRUST HOLDERS OF 5% OR MORE

There were no persons holding more than 5% of a class of Shares under a voting trust or similar agreement as of the date of this Prospectus.

RECENT ISSUANCES OF SECURITIES CONSTITUTING EXEMPT TRANSACTIONS BY THE COMPANY

In April 2019, the Company issued in favor of Arran Investment Pte. Ltd. a convertible note in favor of Arran Investment Pte. Ltd. at an issue price of ₱9.1 billion. The Arran Convertible Note is convertible into common shares of the Company representing 7.0% of the total issued and outstanding capital stock of the Company on a fully-diluted basis (approximately 6.44% of the issued and outstanding shares of the Company in 2021 as a result of the issuance of the Company's common shares to My Crackers, Inc.). See Notes 17 and 29 of the Audited Consolidated Financial Statements for more information. The issue price of the Arran Convertible Note was fully paid upon issuance thereof on April 12, 2019. The Arran Convertible Note is convertible to common shares at a base conversion price of ₱9.22385[232] per share, subject to various adjustment scenarios.

The Company has not obtained a confirmation of exemption from the Philippine SEC with respect to the issuance of the Convertible Note to Arran Investment Pte. Ltd., on the basis that the transaction was an exempt transaction pursuant to Section 10.1(c) of the SRC. The issuance was an isolated transaction made by the Company in favor of only one investor, Arran Investment Pte. Ltd.

[230] See footnote 220.
[231] See footnote 224.
[232] Calculation already took into account the stock spilt. See footnote 218.

CHANGES IN CONTROL

There are no existing provisions in the Company's Articles of Incorporation or the By-Laws which will delay, defer, or in any manner prevent a change in control of the Company.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred herein as affiliates). Related parties may be individuals or corporate entities.

In the ordinary course of the Group's business, the Group engages in various transactions with related parties and affiliates. The Group's policy with respect to related party transactions is to ensure that these transactions are entered on an arm's length basis and entered into on terms comparable to those available from or to unrelated third parties, as the case may be.

The Group's significant related party transactions for the years ended 31 December 2018, 2019 and 2020 are as follows:

	Volume of Transactions			Outstanding Balance		
	For the year ended December 31,			As of December 31,		
	2018	2019	2020	2018	2019	2020
		(₱'000)			(₱'000)	
MLI						
Rent expense	35,430	49,856	62,655	(12,721)	—	—
MMBC						
Miscellaneous income	17,736	10,119	52,165	34,261	9,838	58,397
Trade purchases, net	47,416	105,161	83,353	(9,027)	(30,083)	(12,562)
Rent income	91	103	—	—	—	—
SFC						
Trade purchases, net	372,813	11,778	—	(153,108)	(13,074)	—
Rent income	603	603	—	—	—	—
Trade sales	44,363	41,364	—	8,724	19,862	—
Miscellaneous income	25,603	—	—	25,229	—	—
MNA						
Loan receivable	2,796,465	—	—	4,937,019	—	—
YCE						
Advances and interest income	27,727	24,154	8,930	—	—	—
Honey Droplet						
Advances and interest income	66,612	4,287	—	—	—	—
CHTI						
Transportation and delivery expense	—	—	105,665	—	—	(23,146)
PTNBI						
Trade purchases, net	—	18,390	57,993	—	—	—
MNSG						
Loan receivable	—	—	155,521	—	—	155,521

Monde Land, Inc. (**MLI**)

The Company entered into lease agreements with MLI for the use of MLI premises by the Company as factories and warehouses. The terms of the agreements are not less than 25 years, with option for the Company to renew for another 25 years.

Monde Malee Beverage Corporation (**MMBC**)

The Company entered into a distributorship agreement with MMBC on May 31, 2016 for the provision by the Company of warehousing, selling, billing, delivery and merchandising services in relation to *Malee* brand beverage products such as fruit drinks.

Sarimonde Foods Corporation (**SFC**)

The Company entered into a distributorship agreement with SFC on October 7, 2016 for the provision by the Company of warehousing, selling, billing, delivery and merchandising services in relation to *Sari Roti* brand bread products. The agreement was effective from November 1, 2016 and was terminated on March 31, 2019. In addition, the Company leased office space to SFC and earned rental income in 2018 and 2019.

Monde Nissin (Australia) Pty. Ltd. (**MNA**)

Monde Nissin Singapore Pte. Ltd. (**MNSPL**), a subsidiary of the Company, entered into a loan agreement (as lender) with MNA (as borrower) for a loan denominated in Australian dollar and bearing an interest rate of 5.10% per annum. The loan was fully repaid in 2019. MNA was formerly a subsidiary of the Company and the Company divested itself of all of its holdings in MNA in 2018.

YCE Group Pte. Ltd. (**YCE**)

YCE borrowed from and, with respect to such borrowings, issued to the Company Singapore dollar-denominated promissory notes in 2017 and 2018. Such borrowings were impaired by ₱27.7 million, ₱24.2 million and ₱8.9 million in the years ended December 31, 2018, 2019 and 2020, respectively. There was no outstanding balance with respect to such borrowings as of December 31, 2020.

Honey Droplet Limited (**Honey Droplet**)

Honey Droplet and its wholly owned subsidiary, Honey Droplet New Zealand, borrowed from and, with respect to such borrowings, issued to the Company USD-denominated promissory notes in 2017 and 2018. Such borrowings were impaired by ₱111.0 million, ₱4.3 million in the years ended December 31, 2018 and 2019, respectively. There was no outstanding balance with respect to such borrowings as of December 31, 2020.

Calaca Harvest Terminal Inc. (**CHTI**)

The Company uses CHTI's bulk grain terminal facility for discharging its imported wheat from bulk cargo vessels.

PT. Nissin Biscuit Indonesia (**PTNBI**)

The Company acts as the exclusive distributor for PTNBI in the Philippines and purchases biscuits from PTNBI. PTNBI and the Company have certain shareholders in common.

MNSG Holdings Pte. Ltd. (**MNSG**)

MNSPL (as lender) and MNSG (as borrower) entered into a loan agreement on July 3, 2020 for a U.S.$3,000,000 loan with an interest rate of 3.65% per annum. The loan will mature on July 3, 2022.

Wide Faith Foods Co. Ltd.

On November 17, 2015, the Company entered into a guarantee agreement to guarantee the U.S.$3,000,000 loan that Wide Faith Foods Co. Ltd borrowed from The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch. The loan will mature on 26 April 2021.

See Note 23 to the Audited Consolidated Financial Statements included elsewhere in this Prospectus for more information on the Group's significant related party transactions.

DESCRIPTION OF THE SHARES

The following is general information relating to the Company's capital stock but does not purport to be complete or to give full effect to the provisions of law and is in all respects qualified by reference to the applicable provisions of the Company's Articles of Incorporation and By-Laws.

The Offer Shares shall be offered at a price of [up to ₱17.50] per Offer Share (the **Offer Price**). The determination of the Offer Price is further discussed in "*Determination of the Offer Price*." A total of up to 17,968,611,496 Shares will be outstanding after the Offer and the Offer Shares will comprise approximately [23.0]% of the outstanding Shares after the Offer upon full exercise of the Over-allotment Option and will comprise approximately [20.0]% if the Over-allotment Option is not exercised.[233]

SHARE CAPITAL INFORMATION

On March 1, 2021, a majority of the board of directors and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, change of structure of authorized shares. Such change is subject to approval by the Philippine SEC. Assuming effectiveness of such change, the Company would have an authorized capital stock of ₱12,000,000,000 divided into 20,400,000,000 Common Shares with a par value of ₱0.50 per Share, 400,000,000 Class A preferred shares with a par value of ₱1.00 per share, 800,000,000 Class B preferred shares with a par value of ₱1.00 per share, and 2,400,000,000 Class C preferred shares with a par value of ₱0.25 per share, of which 14,368,611,496 Common Shares are issued and outstanding as of the date of this Prospectus.

The Offer Shares will consist of up to 3,600,000,000 Firm Shares and up to 540,000,000 Option Shares.[234]

The Firm Shares will comprise up to 3,600,000,000 unissued shares to be offered and issued by way of primary offer.[235]

The Option Shares will comprise up to 540,000,000 issued Shares owned by the Selling Shareholder to be offered by way of a secondary offer.[236]

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in its articles of incorporation and by-laws. A Philippine corporation may also increase or decrease its authorized capital stock, provided that the increase or decrease is approved by a majority of the board of directors and by shareholders representing at least two-thirds (2/3) of the outstanding capital stock of the corporation voting at a shareholders' meeting duly called for the purpose and is duly approved by the Philippine SEC.

The Company may acquire its own shares for a legitimate corporate purpose as long as it has unrestricted retained earnings or surplus profits sufficient to pay for the shares to be acquired, such as in the following instances: (i) elimination of fractional shares arising out of stock dividends, (ii) the purchase of shares of dissenting shareholders exercising their appraisal right and (iii) the collection or compromise of an indebtedness arising out of an unpaid subscription in a delinquency sale or to purchase delinquent shares during such sale. Upon repurchase of its own shares, the shares become treasury shares, which may be resold at a reasonable price fixed by the board of directors.

The Board is authorized to issue shares from the treasury from time to time.

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[233] On March 1, 2021, a majority of the Board and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine SEC. In all the paragraphs above, the numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned decrease of par value.
[234] See footnote 233.
[235] See footnote 233.
[236] See footnote 233.

RIGHTS RELATING TO SHARES

Voting Rights of Shares

Each Common Share is entitled to one vote. At each meeting of the shareholders, every shareholder entitled to vote on a particular question or matter involved shall be entitled to one vote for each share of stock standing in his name in the Company's books at the time of the closing of the transfer books for such meeting.

In accordance with Section 23 of the Revised Corporation Code, at each election of directors, every Common Share holder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him as of the relevant record date for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate the number of votes equal to the number of directors to be elected multiplied by the number his shares shall equal or by distributing such votes on the same principle among any number of candidates as the Common Share holder shall see fit.

The Company's Common Shares have full voting rights. However, the Revised Corporation Code provides that voting rights cannot be exercised with respect to shares declared by the Board of Directors as delinquent, treasury shares, or if the shareholder has elected to exercise his right of appraisal referred to below.

Dividend Rights

The Company is allowed to declare dividends out of the Company's unrestricted retained earnings at such times and in such percentages as may be determined by the Board of Directors. Such determination will take into consideration factors such as debt service requirements, the implementation of business plans, operating expenses, budgets, funding for new investments, appropriate reserves and working capital, among other things. The Philippine Depository & Trust Corp. (**PDTC**) has an established mechanism for distribution of dividends to beneficial owners of the shares which are traded through the Philippine Stock Exchange (**PSE**) and lodged with the PDTC as required for scripless trading.

Under Philippine law, the Company can only declare dividends to the extent that the Company has unrestricted retained earnings that represent the amount of accumulated profits and gains realized out of the normal and continuous operations of the Company after deducting therefrom distributions to shareholders and transfers to capital stock or other accounts, and which is: (1) not appropriated by its Board of Directors for corporate expansion projects or programs; (2) not covered by a restriction for dividend declaration under a loan agreement; and (3) not required to be retained under special circumstances obtaining in the corporation such as when there is a need for a special reserve for probable contingencies. The Company may pay dividends in cash, property, or by the issuance of shares. Cash and property dividends are subject to the approval of the Board, while stock dividends, in addition to the approval by the Board, require the approval of stockholders representing at least two-thirds of the outstanding capital stock at a shareholders' meeting duly called for such purpose and approval by the Philippine SEC. Dividends may be declared only from available unrestricted retained earnings.

The Revised Corporation Code prohibits a Philippine corporation from retaining surplus profits in excess of one hundred percent (100%) of its paid-in capital stock. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by the definite corporate expansion projects or programs approved by the board of directors; or (ii) when the Company is prohibited under any loan agreement with financial institutions or creditors, whether local or foreign, from declaring dividends without their consent, and such consent has not yet been secured; or (iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is need for special reserve for probable contingencies.

Philippine corporations whose securities are listed on any stock exchange are required to maintain and distribute an equitable balance of cash and stock dividends, consistent with the needs of shareholders and the demands for growth or expansion of the business.

A cash dividend declaration does not require any further approval from the shareholders. A stock dividend declaration requires the further approval of shareholders holding or representing not less than two-thirds (2/3) of the Company's outstanding capital stock. The Revised Corporation Code defines the term "outstanding capital stock" to mean the "total shares of stock issued under binding subscription contracts to subscribers or shareholders, whether fully or partially paid, except treasury shares." Such shareholders' approval may be given at a general or special meeting duly called for such purpose. See *"Dividends and Dividend Policy"* on page 90.

Rights of Shareholders to Assets of the Company

Each holder of a Common Share is entitled to a pro rata share in the Company's assets available for distribution to the shareholders in the event of dissolution, liquidation and winding-up, subject to preference in the distribution of assets enjoyed by any preferred shareholders during said events. To date, no preferred shares have been issued by the Company.

Pre-emptive Rights

The Revised Corporation Code confers pre-emptive rights on shareholders of a Philippine corporation entitling such shareholders to subscribe for all issues or other dispositions of equity-related securities by the Issuer in proportion to their respective shareholdings, regardless of whether the equity-related securities proposed to be issued or otherwise disposed of are identical to the shares held. A Philippine corporation may, however, provide for the denial of these pre-emptive rights in its articles of incorporation. Likewise, shareholders who are entitled to such pre-emptive rights may waive the same through a written instrument to that effect.

Under the Company's Articles of Incorporation, such pre-emptive rights have been denied.

Appraisal Rights

Under Philippine law, shareholders dissenting from the following corporate actions may demand payment of the fair value of their shares in certain circumstances:

- in case any amendment to the corporation's articles of incorporation has the effect of changing and restricting the rights of any shareholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class;
- in case of any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets;
- in case of merger or consolidation;
- in case the corporation decides to invest its funds in another corporation or business or for any purpose other than the primary purpose; and
- in case of extension or shortening of the term of corporate existence.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default, is determined by three disinterested persons, one of whom shall be named by the shareholder, one by the corporation, and the third by the two thus chosen. The appraisal rights may be exercised by the dissenting shareholder by making a written demand within thirty (30) days after the date on which the vote was taken on the corporate action. The failure to make the demand within the period shall be deemed a waiver of the appraisal rights.

The payment to the dissenting shareholder of the fair value of his shares will only be available if the Company has unrestricted retained earnings to cover such purchase. From the time the shareholder makes a demand for

payment until the Company purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the shareholder to receive the fair value of the share.

Derivative Rights

Under Philippine law, shareholders have the right to institute proceedings on behalf of the corporation in a derivative action in the event that the corporation itself is unable or unwilling to institute the necessary proceedings to rectify the wrongs committed against the corporation or to vindicate corporate rights as, for example, where the directors themselves are the malefactors.

Right of Inspection

It is a recognized right of a shareholder to inspect the corporate books, records of all business transactions of the corporation and the minutes of any meeting of the Board and shareholders at reasonable hours on business days may demand a copy of excerpts from such records or minutes at his or her expense. On the other hand, the corporation may refuse such inspection if the shareholder demanding to examine or copy the records of the corporation has improperly used any information secured through any prior examination, or was not acting in good faith or for a legitimate purpose in making his demand.

Right to Financial Statements

Another recognized right of a shareholder is the right to be furnished with the most recent financial statement of the corporation, which shall include a balance sheet as of the end of the last taxable year and a profit and loss statement for said taxable year, showing in reasonable detail its assets and liabilities and the results of its operations. Under the Company's By-laws, at the meeting of shareholders, the Chief Financial Officer is required to present to the shareholders a financial report of the operations of the corporation for the preceding year, which shall include financial statements duly signed and certified by an independent certified public accountant.

Change in Control

There are no existing provisions in the Company's Articles of Incorporation or the By-Laws which will delay, defer or in any manner prevent a change in control of the Company.

SHAREHOLDERS' MEETINGS

Annual or Regular Shareholders' Meetings

All Philippine corporations are required to hold an annual meeting of shareholders for corporate purposes, one of which is the election of directors. The Company's new By-Laws (which is pending approval before the Philippine SEC) provide for annual meetings on the last Monday of June of each year, and if a legal holiday, then on the next succeeding business day.

Special Shareholders' Meeting

Under the Company's new By-laws (which is pending approval before the SEC) special meetings of shareholders, for any purpose or purposes, may at any time be called by the resolution of the Board, by the Chairman of the Executive Committee, the President, the Chief Executive Officer, or at the written request of stockholders representing at least a majority of the issued and outstanding capital, setting forth the purpose/s of such meeting in the written notice.

Notice of Shareholders' Meeting

Written notice of the annual and special meetings of the stockholders shall be served to each registered stockholder by electronic transmission. For regular meetings, the notice shall be sent at least twenty-one (21) days prior to

the date of the meeting in accordance with SEC Memorandum Circular No. 6, series of 2020 while for special meetings, at least fourteen (14) days prior written notice shall be sent to all registered stockholders. The notice shall be deemed to have been given at the time when it has been electronically through any of the means mentioned herein. Waiver of such notice may be made only in writing.

Any such notice must include, among others, the date, hour, venue of the meeting, and a statement of the matters to be transacted at the meeting, and no business other than that specified in the notice shall be transacted at such meeting. Any director or stockholder may propose any other matter for inclusion in the agenda at any regular or special stockholders' meeting, subject to reasonable guidelines issued by the Board which are consistent with applicable laws, rules and regulations of the Philippine SEC, as may be amended from time to time. The notice of stockholders' meeting shall also set the date, time and place of validation of proxies, which in no case, shall be less than five (5) business days prior to the stockholders' meeting. The notice shall also contain the procedures to be followed when a stockholder elects to vote through remote communication or in absentia.

The Company shall also provide information or documents to all stockholders by electronic transmission. The information or documents shall be deemed delivered upon the transfer or posting by electronic means. As used herein, electronic transmission means the delivery or transfer of documents, data or information by electronic mail (or any other electronic means) to the electronic address or contact number of the stockholders registered in the books of the Company, posting in the PSE, posting in the Company's website (in the subsections for stockholders' meetings or disclosures of the Governance section), or such other recognized means of electronic transfer of data or information.

The Company shall require all stockholders to designate a valid electronic address and/or mobile number for them to receive notices and other information or documents from the Company. Stockholders preferring to receive physical copies of the notice, information or documents shall make a written request to the Company. Upon receipt of the request, the Company shall send the notice information and documents by personal or courier service.

Notice of any meeting may be waived, expressly or impliedly, by any shareholder, in person or by proxy, before or after the meeting.

When the meeting of the shareholders is adjourned to another time or place, notice of the adjourned meeting need not be provided so long as the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is decided. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Quorum

Unless otherwise provided by law, shareholders who own or hold a majority of the outstanding capital shares must be present or represented in all regular or special meetings of shareholders in order to constitute a quorum, except in cases where the Revised Corporation Code provides a greater percentage vis-a-vis the total outstanding capital stock. If no quorum is constituted, the meeting shall be adjourned until shareholders who own or hold the requisite number of shares shall be present or represented.

Upon approval of and upon notice by the Board of Directors, meetings may be attended by the shareholders either in person or through video or teleconference, or *in absentia* or such other means as may be subsequently be permitted by applicable law or regulation.

Voting

The shareholders may vote at all meetings the corresponding number of shares registered in their respective names, either in person or by proxy duly appointed as discussed herein below.

Fixing Record Dates

Pursuant to the Philippine SEC rules, cash dividends declared by corporations whose shares are listed on the PSE shall have a record date which shall not be less than 10 and not more than 30 days from the date of declaration of cash dividends. As to stock dividends, the record date shall not be less than 10 nor more than 30 days from the date of shareholder approval.

In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date shall be fixed by the Philippine SEC and shall be indicated in the Philippine SEC order which shall not be less than 10 days nor more than 30 days after all clearances and approvals by the Philippine SEC shall have been secured. Regardless of the kind of dividends, the record date set shall not be less than ten trading days from receipt by the PSE of the notice of declaration of the dividend.

Proxies

Shareholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy. A proxy shall be in writing and duly presented to and received by the Corporate Secretary for inspection and recording within a reasonable time prior to the scheduled meeting. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary. No proxy shall be valid and effective for a period longer than five years at any one time.

No member of the PSE and no broker/dealer shall give any proxy, consent or authorization, in respect of any securities carried for the account of a customer to a person other than the customer, without the express written authorization of such customer. The proxy executed by the broker shall be accompanied by a certification under oath stating that before the proxy was given by the broker, he had duly obtained the written consent of the persons in whose account the shares are held. There shall be a presumption of regularity in the execution of proxies and proxies shall be accepted if they have the appearance of prima facie authenticity in the absence of a timely and valid challenge. Proxies are required to comply with the relevant provisions of the Revised Corporation Code, the SRC, the Implementing Rules and Regulations of the SRC (as amended), and Philippine SEC Memorandum Circular No. 5 (series of 1996) issued by the Philippine SEC.

ISSUE OF SHARES

Subject to otherwise applicable limitations, the Company may issue additional shares to any individual for consideration deemed fair by the Board, provided said consideration shall not be less than the par value of the issued shares. No share certificates shall be issued to a subscriber until the full amount of the subscription together with interest and expenses (in case of delinquent Shares) has been paid and proof of payment of the applicable taxes shall have been submitted to the Corporate Secretary. Under the PSE Rules, only fully paid shares may be listed on the PSE.

TRANSFER OF COMMON SHARES

All transfer of shares on the PSE shall be done by means of a book-entry system. Pursuant to this system of trading and settlement, a registered shareholder transfers legal title over the shares to such nominee, but retains beneficial ownership over the shares. A shareholder transfers legal title by surrendering the stock certificate representing his shares to participants of the PDTC System (i.e., brokers and custodian banks) that, in turn, lodge the same with the PCD Nominee. A shareholder may request his shares to be uplifted from the PDTC, in which case a certificate of stock is issued to the shareholder and the shares are registered in the name of the shareholder. See "*The Philippine Stock Market*" on page 295.

Under Philippine law, transfer of the Common Shares is not required to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. See "*Philippine Taxation*" on page 304. All transfers of Shares on the PSE must be effected through a licensed stockbroker in the Philippines.

SHARE REGISTER

The Company's share register is maintained at the principal office of the Stock Transfer Agent, BDO Unibank Inc. – Trust and Investment Group.

SHARE CERTIFICATES

Certificates representing the Common Shares will be issued in such denominations as shareholders may request, except that certificates will not be issued for fractional shares. For shareholders who wish to split their certificates, they may do so through application to the Stock Transfer Agent. Shares may also be lodged and maintained under the book-entry system of the PDTC. See "*The Philippine Stock Market*" on page 295.

MANDATORY TENDER OFFER

Pursuant to the SRC and its implementing rules and regulations, it is mandatory for any person or group of persons acting in concert to make a tender offer to all the shareholders of the target corporation before the intended acquisition of:

- 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company in one or more transactions within a period of 12 months;
- 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board in a public company directly from one or more shareholders; or
- equity which would result in ownership of over 50% of the outstanding equity securities of a public company.

Pertaining to the first instance, when the securities tendered pursuant to such an offer exceed the number of shares that the acquiring person or group of persons is willing to acquire, the securities shall be purchased from each tendering shareholder on a pro rata basis according to the number of securities tendered by each security holder.

In the event that the tender offer is oversubscribed, the aggregate amount of securities to be acquired at the close of such tender offer shall be proportionately distributed to both selling shareholders with whom the acquirer may have been in private negotiations and the minority shareholders.

Pertaining to the second instance, the tender offer shall be made for all the outstanding voting shares. The sale of shares pursuant to the private transaction with the shareholders shall not be completed prior to the closing and completion of the tender offer.

Pertaining to the third instance, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining shareholders of the company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer shall be required to accept all securities tendered.

Further, no mandatory tender is required on:

- purchases of shares from unissued capital shares unless such purchases will result in a 50% or more ownership of shares by the purchaser or such percentage that is sufficient to gain control of the Board;
- purchases from an increase in the authorized capital shares of the target company;
- purchases in connection with a foreclosure proceeding involving a pledge or security where the acquisition is made by a debtor or creditor;

- purchases in connection with a privatization undertaken by the government of the Philippines;
- purchases in connection with corporate rehabilitation under court supervision;
- purchases through an open market at the prevailing market price; or
- purchases resulting from a merger or consolidation.

FUNDAMENTAL MATTERS

The Revised Corporation Code provides that the following acts of the corporation require the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the corporation: (i) amendment of the articles of incorporation; (ii) removal of directors; (iii) sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the corporation; (iv) investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the corporation was organized; (v) delegation to the board of directors of the power to amend or repeal by-laws or adopt new by-laws; (vi) merger or consolidation; (vii) an increase or decrease in capital stock; (viii) dissolution; (ix) extension or shortening of the corporate term; (x) creation or increase of bonded indebtedness; (xi) declaration of stock dividends; (xii) management contracts with related parties; and (xiii) ratification of contracts between the corporation and a director or officer.

Further, the approval of shareholders holding a majority of the outstanding capital shares of a Philippine corporation, including non-voting shares, is required for the adoption or amendment of the by-laws of such corporation.

ACCOUNTING AND AUDITING REQUIREMENTS

Philippine stock corporations are required to file copies of their annual financial statements with the Philippine SEC. In addition, public corporations are required to file quarterly financial statements (for the first three quarters) with the Philippine SEC. Those corporations whose shares are listed on the PSE are additionally required to file said quarterly and annual financial statements with the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a statement of financial position as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board is required to present to shareholders at every annual meeting a financial report of the Company's operations for the preceding year. This report is required to include audited financial statements.

THE PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company, the Joint Global Coordinators and the Local Lead Underwriters or any of their respective subsidiaries, affiliates or advisors in connection with the sale of the Offer Shares.

Brief History

The Philippine Stock Exchange (**PSE**) is the only stock exchange in the Philippines. However, initially, the Philippines had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating and governed by its respective Board of Governors elected annually by its members.

The PSE was formed out of the merger of the Manila Stock Exchange and the Makati Stock Exchange. It was incorporated in 1992 by officers of both Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor.

In June 1998, the Philippine SEC granted “Self-Regulatory Organization” status to the PSE, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 8, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. Each of the 184 member-brokers was granted 50,000 common shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a “Trading Participant Certificate” was immediately conferred on each member broker allowing the use of the PSE’s trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President of the PSE. On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry. As of [February 9, 2020], the PSE has an authorized capital stock of ₱120 million, of which ₱85.2 million are issued and ₱81.7 million are outstanding.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE’s Main Board or the Small, Medium and Emerging Board. On April 13, 2013, the PSE issued Rules on Exchange Traded Funds (**ETF**) which provides for the listing of ETFs on an ETF Board separate from the PSE’s existing boards. Previously, the PSE allowed listing on the First Board, Second Board or the Small, Medium and Enterprises Board. With the issuance by the PSE of its Memorandum No. CN-No. 2013-0023 dated June 6, 2013, revisions to the PSE Listing Rules were made, among which changes are the removal of the Second Board listing and the requirement that lock-up rules be embodied in the articles of the incorporation of the Issuer. Each index represents the numerical average of the prices of component stocks.

The PSE has a benchmark index, referred to as the PSEi, which reflects the price movements of the 30 largest and most active stocks at the PSE. The PSEi is a free float market capitalization-weighted index.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of 10 guidelines embodying principles of good business practice and based on internationally recognized corporate governance codes and best practices.

With the increasing calls for good corporate governance, the PSE has adopted an online daily disclosure system to improve the transparency of listed companies and to protect the investing public. In December 2013, the PSE replaced its online disclosure System (**OdiSy**) with a new disclosure system, the PSE Electronic Disclosure Generation Technology (**EDGE**). EDGE was acquired from the Korea Exchange and is a fully automated system, equipped with a variety of features to (i) further standardize the disclosure reporting process of listed companies

on the PSE, (ii) improve investors' disclosure searching and viewing experience and (iii) enhance overall issuer transparency in the market.

In June 2015, the PSE shifted to a new trading system, the PSEtrade XTS, which utilizes NASDAQ's X-stream Technology. The PSEtrade XTS, which replaced the NSC trading platform provided by NYSE Euronext Technologies SAS, is equipped to handle large trading volumes. It is also capable of supporting the future requirements of the PSE should more products and services be introduced.

In November 2016, PSE received regulatory approvals to introduce new products in the stock market – the Dollar Denominated Securities and the Listing of PPP Companies.

In June 2018, the PSE received approval from the Philippine SEC to introduce short selling in the equities market.

Also in 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City, which currently houses the unified trading floors in Makati City and Pasig City.

On March 22, 2018, the PSE completed a stock rights offering of 11,500,000 Common Shares which were offered at the price of ₱252.00 per share, or a total of ₱2,898,000,000.00. The proceeds if the stock rights offering will be used to fund the acquisition of PDS and capital expenditure requirements of the PSE. As of the date of this Prospectus, the PSE has an authorized capital stock of ₱120 million, of which 85,025,692 shares are issued. Out of this total, 84,925,686 shares are outstanding, and 100,006 are treasury shares.

The table below sets out movements in the composite index as of the last business day of each calendar year from 2008 to 2020, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Year	PSEi Level at Closing	Number of Listed Companies	Aggregate Market Capitalization (in ₱ billions)	Combined Value of Turnover (in ₱ billions)
2008	1,872.85	246	4,072.16	763.90
2009	3,052.68	248	6,032.22	994.15
2010	4,201.14	253	8,866.11	1,207.38
2011	4,371.96	253	8,696.96	1,422.59
2012	5,812.73	254	10,930.09	1,771.71
2013	5,889.83	257	11,931.29	2,546.18
2014	7,230.57	263	14,251.72	2,130.12
2015	6,952.08	265	13,465.57	2,151.41
2016	6,840.64	265	14,438.77	1,929.50
2017	8,558.42	267	17,583.12	1,958.36
2018	7,466.02	267	16,146.69	1,736.82
2019	7,815.26	270	16,705.35	1,776.15
2020	7,139.71	274	15,888.92	1,770.90

Source: PSE and PSE Annual Reports

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid, or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading day). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 p.m. for the morning session, and resumes at 1:30 p.m. and ends at 3:30 p.m. for the afternoon session. Trading days are Monday to Friday, except legal and

special holidays and days when the BSP clearing house is closed. However, due to community quarantine measures in place to combat the COVID-19 pandemic, the PSE, beginning March 16, 2020 and until further notice, has implemented shortened trading hours which end at 1:00 PM on each trading day.

Minimum trading lots range from 5 to 1,000,000 shares depending on the price range and nature of the security traded. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, whenever an order will result in a breach of the trading threshold of a security within a trading day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- In the case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50.0% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60.0%. All orders breaching the 60.0% static threshold will be rejected by the PSE.

- In the case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20.0% for security cluster A and newly-listed securities, 15.0% for security cluster B and 10.0% for security cluster C); otherwise, such order will be rejected by the PSE.

Non-Resident Transactions

When the purchase/sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities, including profits and dividends, net of taxes and charges, may be repatriated.

Settlement

The Securities Clearing Corporation of the Philippines (**SCCP**) is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on January 17, 2002. It is responsible for:

- synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment clearing and settlement of transactions of Clearing Members, who are also Trading Participants of the PSE;

- guaranteeing the settlement of trades in the event of a Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and Trade Guaranty Fund; and

- performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place three days after the transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE Trading Participant maintains a Cash Settlement Account with one of the ten existing Settlement Banks of SCCP

which are BDO Unibank, Inc., Rizal Commercial Banking Corporation, Metropolitan Bank & Trust Company, Deutsche Bank, Union Bank of the Philippines, The Hongkong and Shanghai Banking Corporation Limited, Maybank Philippines, Inc., Asia United Bank, and China Banking Corporation. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement (**CCCS**) system on May 29, 2006. CCCS employs multilateral netting, whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

Scripless Trading

In 1995, the PDTC (formerly the Philippine Central Depository, Inc.) was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the Philippine SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares in favor of the PCD Nominee Corporation (**PCD Nominee**), a corporation wholly-owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares lodged in the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares in the account of the PCD Nominee through the PDTC participant will be recorded in the issuing corporation's registry. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the Philippine SEC. No consideration is paid for the transfer of legal title to the PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, without prejudice to the obligation of the participant to segregate the securities held on behalf of its clients (e.g., shareholders) in a separate Client Securities Account and to account for the beneficial ownership of such securities to its clients (e.g., shareholders), the participant shall as far as the PDTC is concerned, be deemed as the beneficial owner of all shares in its Securities Accounts. Each shareholder, through his participant, will therefore be the beneficial owner to the extent of the number of shares which his participant is holding in trust for and on his behalf in a separate Client Securities Account. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that, in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant-custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities

settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the SCCP Central Clearing and Central Settlement system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his shareholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of ownership of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of the PCD Nominee to confirm new balances of the shares lodged with the PDTC. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of the PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the PCD Nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

Amended Rule on Lodgment of Securities

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that, commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the Philippine SEC, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the Revised Listing Rules.

For listing applications, the amended rule on lodgment of securities is applicable to:

- The offer shares/securities of the applicant company in the case of an initial public offering;
- The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Philippine SEC in the case of a listing by way of introduction;
- New securities to be offered and applied for listing by an existing listed company; and
- Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

- For a new company to be listed at the PSE as of July 1, 2009, the usual procedure will be observed but the transfer agent of the company shall no longer issue a certificate to the PCD Nominee but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the depository participants on the listing date.
- On the other hand, for an existing listed company, the PDTC shall wait for the advice of the transfer agent that it is ready to accept surrender of PCD Nominee jumbo certificates and upon such advice the

PDTC shall surrender all PCD Nominee jumbo certificates to the transfer agent for cancellation. The transfer agent shall issue a Registry Confirmation Advice to the PDTC evidencing the total number of shares registered in the name of the PCD Nominee in the listed company's registry as of the confirmation date.

Further, the PSE apprised all listed companies and market participants on May 21, 2010 through Memorandum No. 2010-0246 that the Amended Rule on Lodgment of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

Issuance of Stock Certificates for Certificated Shares

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are on the account of the uplifting shareholder.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

Amended Rule on Minimum Public Ownership

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 20.0% of the listed companies' total issued and outstanding shares (i.e., exclusive of treasury shares), or at such percentage that may be prescribed by the PSE. For purposes of determining compliance with the MPO, shares held by the following are generally considered "held by the public": (i) individuals (for as long as the shares held are not of a significant size (i.e., less than 10.0%)) and are non-strategic in nature; (ii) trading participants (for as long as the shares held are non-strategic in nature); (iii) investment and mutual funds; (iv) pension funds; (v) PCD nominees if this account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then this shareholder is considered a principal shareholder); and (vi) social security funds.

Listed companies which become non-compliant with the MPO on or after January 1, 2013 will be suspended from trading for a period of not more than six (6) months and will automatically be delisted if it remains non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and documentary stamp tax.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 issued on December 1, 2017, the MPO requirement on initial public offerings is increased from 10% to 20%, while existing publicly listed companies as of December 2017 remain to be subject to the 10% MPO. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20%, as applicable, of the listed companies' issued and outstanding shares, exclusive of any treasury shares. As of date,

the Philippine SEC is looking at increasing the MPO requirement of existing listed companies to 25.0%, such proposed rules on MPO is yet to be issued by SEC for comments by the public.

PHILIPPINE FOREIGN EXCHANGE AND FOREIGN OWNERSHIP CONTROLS

Registration of Foreign Investments and Exchange Controls

Under current BSP regulations, an investment in listed Philippine securities must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and/or the remittance of dividends, profits, and earnings derived from such securities is to be sourced from the foreign exchange resources of the Philippine banking system. The registration with the BSP is evidenced by a Bangko Sentral Registration Document. Under BSP Circular No. 1030 dated February 5, 2019, debt securities, purchase of condominium units, capital expenses incurred by foreign firms pursuant to government approved-service contracts and similar contracts, and Philippine depositary receipts, must likewise be registered with the BSP if foreign exchange will be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance is sourced outside the Philippine banking system, registration is not required. BSP Circular No. 950 (Series of 2017), however, subjects foreign exchange dealers, money changers and remittance agents to R.A. No. 9160 (the Anti-Money Laundering Act of 2001, as amended) and requires these non-bank sources of foreign exchange to require foreign exchange buyers to submit, among others, the original BSP registration documents in connection with their application to purchase foreign exchange for purposes of capital repatriation and remittance of dividends.

Under BSP Circular No. 1030 dated February 5, 2019, the custodian bank with authority to operate a foreign currency deposit unit must register equity investments listed on an onshore exchange on behalf of the non-resident investor. The custodian bank must also report all transactions on the registered investment to the BSP. Applications for registration must be accompanied by: (1) proof of investment, such as purchase invoice or, subscription agreement; (2) proof of funding, such as original certificate of inward remittance of foreign exchange and its conversion into Philippine pesos through an authorized agent bank in the prescribed format. Additionally, the foreign investor must execute an Authority to Disclose Information covering all his/her investments with each designated registering bank.

For excess Philippine pesos arising from unrealized investments, banks may sell foreign exchange to the foreign investor equivalent to excess Philippine pesos that are funded by inward remittance of foreign exchange plus interest earned on the excess Philippine pesos, provided that at least 50% of the inwardly remitted foreign exchange should have been invested in onshore. However, in the case of disapproved subscription or oversubscription of debt and equity securities, erroneously remitted funds, and similar cases, the 50% requirement need not be complied with. In these cases, the foreign investor must execute an Application to Purchase and the bank shall report the foreign exchange remittance to the BSP.

BSP registered investments are entitled to full and immediate repatriation of capital and remittance of related earnings using the foreign exchange resources of the Philippine banking system, without need of further BSP approval. However, the remitting bank shall report all foreign exchange remittances to the BSP. Remittance is permitted upon presentation of: (1) the BSP registration document; (2) supporting documents, such as the cash dividends notice from the PSE and the Philippine Depository and Trust Corporation (formerly the Philippine Central Depository) showing a printout of cash dividend payment or computation of interest earned; (3) copy of the corporate secretary's sworn statement on the board resolution covering the dividend declaration; and (4) original computation of the Philippine peso amount to be converted to foreign exchange in the format prescribed by the BSP. Pending reinvestment or repatriation offshore, Philippine peso divestment proceeds, as well as related earnings, of registered investments may be lodged temporarily in interest-bearing Philippine peso deposit accounts. Interest earned thereon, net of taxes, may also be remitted in full without further BSP approval. Philippine peso divestment proceeds and/or earnings on registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor's custodian bank.

The foregoing is subject to the power of the BSP, through the Monetary Board, with the approval of the President of the Philippines, to suspend temporarily or restrict the availability of foreign exchange, require licensing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee during an

exchange crisis, when an exchange crisis is imminent, or in times of national emergency. Furthermore, there can be no assurance that BSP foreign exchange regulations will not be made more restrictive in the future.

The registration with the BSP of all foreign investments shall be the responsibility of the foreign investor.

Foreign Ownership Controls

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of companies that are engaged in certain activities.

Republic Act No. 7042, as amended, or the Foreign Investments Act of 1991, reserves to Philippine Nationals all areas of investment in which foreign ownership is limited by mandate of the Constitution and specific laws. Section 3(a) of said law defines a "Philippine National" as:

- a citizen of the Philippines;
- a domestic partnership or association wholly-owned by citizens of the Philippines;
- a trustee of funds for pension or other employee retirement or separation benefits where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals;
- a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines; and
- a corporation organized abroad and registered as doing business in the Philippines under the Corporation Code of the Philippines of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos.

However, the Foreign Investments Act of 1991 states that, where a corporation (and its non-Filipino shareholders) own stock in a Philippine SEC-registered enterprise, to be considered a Philippine National, at least 60% of the capital stock outstanding and entitled to vote of both the investing corporation and the investee corporation must be owned and held by citizens of the Philippines. Further, at least 60% of the members of the board of directors of both the investing corporation and the investee corporation must be Philippine citizens in order for the investee corporation to be considered a Philippine National.

On May 20, 2013, the Philippine SEC issued Memorandum Circular No. 8, Series of 2013 which provided guidelines (the **Guidelines**) on compliance with the Filipino-Foreign ownership requirements under the Philippine Constitution and other existing laws by corporations engaged in nationalized or partly nationalized activities (the **Nationalized Corporations**). The Guidelines provide, that for purposes of determining compliance with the foreign equity restrictions in Nationalized Corporations, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

Compliance with the required ownership by Philippine Nationals of a corporation is to be determined on the basis of outstanding capital stock whether fully paid or not.

[The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures.]

PHILIPPINE TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Company. The following discussion is based upon laws, regulations, rulings, income tax treaties, administrative practices and judicial decisions in effect at the date of this prospectus and is subject to any changes occurring after such date. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to invest in the shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates. This discussion does not provide information regarding the tax aspects of acquiring, owning, holding or disposing of the shares under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequences in light of particular situations of acquiring, owning, holding and disposing of the shares in such other jurisdictions.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE COMMON SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF LOCAL AND NATIONAL TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof. A "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen thereof. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien engaged in trade or business in the Philippines"; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not engaged in trade or business in the Philippines." A "domestic corporation" is created or organized under the laws of the Philippines; a "resident foreign corporation" is a non-Philippine corporation engaged in trade or business in the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business in the Philippines. The term "non-resident holder" means a holder of shares of stock:

- *who is an individual and is neither a citizen nor a resident of the Philippines, or an entity which is a non-resident foreign corporation; and*
- *should an income tax treaty be applicable, whose ownership of shares of stock is not effectively connected with a fixed base or a permanent establishment in the Philippines.*

PHILIPPINE TAXATION

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (**TRAIN**), took effect. The TRAIN amended various provisions of the Tax Code, including those on ordinary income tax of individuals, capital gains tax on the sale and disposition of shares of stock, estate tax, donor's tax, and documentary stamp tax. On March 26, 2021, the second package of the Comprehensive Tax Reform program, Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act (**CREATE**) was signed into law, amending provisions of the Tax Code relating to, among others, corporate income tax, lowering corporate income taxes and modernizing fiscal incentives in a bid to complement the expected incremental revenues from the first package.

Corporate Income Tax

A domestic corporation is subject to a tax of 25%, of its taxable income from all sources within and outside the Philippines beginning July 1, 2020, provided that domestic corporations with net taxable income not exceeding ₱5,000,000.00 and with total assets not exceeding ₱100,000,000.00 (excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed) (referred to as micro, small, and medium enterprises, or **MSMEs**), shall be taxed at 20%. Taxable net income refers to items of income specified under Section 32 (A) of the Philippine Tax Code (the **Tax Code**), less itemized deductions under Section 34 of the Tax Code or those allowed under special laws, or the optional standard deduction **(OSD)** equivalent to an amount not exceeding 40% of the corporation's gross income. Passive income of a domestic corporation is taxed as follows: (a) gross interest income from Philippine currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of 20% of the gross amount of such income; and (b) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final tax at the rate of 15% of such income.

Beginning July 1, 2020 and until June 30, 2023, a minimum corporate income tax of 1% of the gross income as of the end of the taxable year is imposed on a domestic corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the ordinary corporate income tax, provided that after June 30, 2023, the rate of minimum corporate income tax shall be 2% of the gross income as of the end of the taxable year.

Any excess of the minimum corporate income tax, however, over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. Likewise, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation which suffers losses (1) on account of a prolonged labor dispute, or (2) because of force majeure, or (3) because of legitimate business reverses.

SALE, EXCHANGE, OR DISPOSITION OF SHARES AFTER THE IPO

Taxes on transfer of shares listed and traded at the PSE

Unless an applicable income tax treaty exempts the sale from income and/or percentage tax (please see discussion below on tax treaties), a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder (other than a dealer in securities) is subject to a percentage tax usually referred to as a stock transaction tax at the rate of six-tenths of one percent (6/10 of 1.0%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, which shall be paid by the seller or transferor. This tax is required to be collected by and paid to the Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Under certain income tax treaties, the exemptions from capital gains tax may not be applicable to stock transaction tax.

In addition, Value Added Tax (**VAT**) of 12.0% is imposed on the commission earned by the PSE-registered broker, and is generally passed on to the client, the seller or transferor.

The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension. PSE Memorandum CN-No. 2012-0046 dated August 22, 2012 provides that, immediately after December 31, 2012, the Philippine SEC shall impose a trading suspension for a period of not more than six months, on shares of a listed company that has not complied with the Rule on Minimum Public Ownership (**MPO**) which requires listed companies to maintain a minimum percentage of listed securities held by the public of the listed companies issued and outstanding shares at all times. In accordance with SEC Memorandum Circular No. 13, Series of 2017 issued on December 1, 2017, the MPO requirement on companies that undertake initial public offerings was increased from 10.0% to 20.0%, while existing publicly listed companies as of December 2017 remain to be subject to the 10.0% MPO. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20.0%, as applicable, of the

listed companies' issued and outstanding shares, exclusive of any treasury shares. The sale of such listed company's shares during the trading suspension may be effected only outside the trading system of the PSE and shall therefore be subject to taxes on the sale of shares that are not listed or traded at the stock exchange (i.e., capital gains tax, documentary stamp tax, and possibly donor's tax if the fair market value of the shares of stock sold is greater than the consideration or the selling price, as the amount exceeding the selling price shall be deemed a gift subject to donor's tax under Section 100 of the Tax Code.) Companies which do not comply with the MPO after the lapse of the trading suspension shall be automatically delisted.

The stock transaction tax will also not apply if the shares sold are issued by a corporation that does not meet the MPO requirement, even if the sale is done through the facilities of the PSE. Revenue Regulations No. 16-2012 (**R.R. 16-12**) provides that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO requirement after December 31, 2012 will be subject to capital gains tax and documentary stamp tax. R.R. 16-12 also requires publicly listed companies to submit public ownership reports to the BIR within 15 days after the end of each quarter.

Capital Gains Tax, if the Sale Was Made Outside the PSE

Pursuant to the Tax Reform for Acceleration and Inclusion Act, also called the TRAIN Law, the net capital gains realized by a citizen, resident alien, non-resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock outside the facilities of the PSE, are subject to capital gains tax at the rate of 15.0% of the net capital gains realized during the taxable year.

Furthermore, if the fair market value of the shares of stock in a Philippine corporation sold outside the facilities of the local stock exchange is greater than the consideration received by the seller or the selling price, the amount by which the fair market value of the shares exceeds the selling price shall be deemed a gift that is subject to donor's tax under Section 100 of the Tax Code; provided, however, that a sale, exchange or other transfer of such shares outside the facilities of the local stock exchange made in the ordinary course of business (a transaction which is bona fide, at arm's length and free from donative intent) will be considered as made for an adequate and full consideration in money or money's worth and will not be subject to donor's tax.

If an applicable income tax treaty exempts net gains from such sale from capital gains tax, an application for tax treaty relief has to be filed with the BIR in accordance with BIR regulations, and approved by the BIR, to avail of the exemption. (Please see discussion below on tax treaties.)

The transfer of shares shall not be recorded in the books of a company, unless the BIR has issued a Certificate Authorizing Registration (**CAR**), certifying that capital gains and documentary stamp taxes relating to the sale or transfer have been paid or, where applicable, tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR in respect of the capital gains tax, or other conditions have been met.

Tax on Dividends

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of 10.0%, which shall be withheld by the Company. Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20.0% final withholding tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25.0% of the gross amount, subject, however, to the applicable preferential tax rates under income tax treaties executed between the Philippines and the country of residence or domicile of such non-resident alien individuals.

Cash and property dividends received from a domestic corporation by another domestic corporation or by a resident foreign corporation are not subject to income tax while those received by a non-resident foreign corporation are generally subject to income tax at a final withholding tax rate of 25.0%, effective July 1, 2020.

The 25.0% income tax rate for dividends paid to a non-resident foreign corporation may be reduced to a lower rate of 15.0% if tax sparing applies, which is when:

(i) the country where the non-resident foreign corporation is domiciled imposes no tax on foreign sourced dividends or

(ii) the country of domicile of the non-resident foreign corporation allows at least 10.0% credit equivalent for taxes deemed to have been paid in the Philippines.

In order to avail of the 15.0% tax sparing rate, Revenue Memorandum Circular No. 80-91 (Publishing the Resolution of the Supreme Court dated March 7, 1990 in G.R. No. 76573 entitled "Marubeni Corporation vs. Commissioner of Internal Revenue and Court of Tax Appeals" re: pre-requisites for the availment of 15.0% preferential tax rate under then Section 24 (b)(1) now Sec. 25(b)(5)(B) of the Tax Code, as amended, dated August 12, 1991) states that the non-resident foreign holder has to submit the following documents to the payor of the cash dividends:

(i) an authenticated certification issued by the foreign tax authority that the dividends received by the non-resident foreign corporation from the domestic corporation were not among the items considered in arriving at the income tax due from the non-resident foreign corporation;

(ii) the income tax return of the non-resident foreign corporation for the taxable year when the dividends were received; and

(iii) an authenticated document issued by the foreign tax authority showing that the foreign Government allowed a credit on the tax deemed paid in the Philippines or did not impose any tax on the dividends.

Despite these procedural requirements, the Philippine Supreme Court in Deutsche Bank AG Manila Branch v. CIR, G.R. No. 188550, ruled that the period of application for the availment of tax treaty relief should not operate to divest entitlement to the relief as it would constitute a violation of the duty required by good faith in complying with a tax treaty. At most, the application for a tax treaty relief to be filed with the Bureau of Internal Revenue (**BIR**) should merely operate to confirm the entitlement of the taxpayer to such relief.

The income recipient may also file a request for a ruling from the BIR that the 15.0% income tax rate is applicable to its receipt of the dividends and the request has to comply with Revenue Memorandum Order No. 9-2014 (Requests for Rulings with the Law and Legislative Division dated February 6, 2014) and other relevant BIR issuances. The income recipient should thereafter provide the payor of the cash dividends with proof of its filing of an application for a ruling with the BIR before the deadline for the remittance to the BIR of the withholding tax on the dividends.

The above mentioned tax rates are without prejudice to applicable preferential tax rates under income tax treaties in force between the Philippines and the country of domicile of the non-resident holder. (Please see discussion on tax treaties below.)

If the regular tax rate is withheld by the Company instead of the reduced rates applicable under an income tax treaty, the non-resident holder of the shares may file a claim for refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

Transfer taxes (e.g. documentary stamp tax, local transfer tax) may be payable if the dividends declared are property dividends, depending on the type of property distributed as dividends. Stock dividends distributed *pro rata* to any holder of shares of stock are generally not subject to Philippine income tax. However, the sale, exchange or disposition of shares received as stock dividends by the shareholder is subject to stock transaction tax if the transfer is through a local stock exchange; or if the transfer is made outside of the exchange, capital gains tax; and documentary stamp tax.

Preferential Rates under the Income Tax Treaties

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

	Dividends (%)	**Stock transaction tax on sale or disposition effected through the PSE** (%)[9]	**Capital gains tax due on disposition of shares outside the PSE (%)**
Canada	25[1]	0.6	May be exempt[13]
China	15[2]	Exempt[10]	May be exempt[13]
France	15[3]	Exempt[11]	May be exempt[13]
Germany	15[4]	Exempt[12]	May be exempt[13]
Japan	15[5]	0.6	May be exempt[13]
Singapore	25[6]	0.6	May be exempt[13]
United Kingdom	25[7]	0.6	Exempt[14]
United States	25[8]	0.6	May be exempt[13]

Notes:

(1) *15% if the recipient company which is a resident of Canada controls at least 10% of the voting power of the company paying the dividends; 25% in all other cases.*

(2) *10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends; 15% in all other cases.*

(3) *10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends; 15% in all other cases.*

(4) *5% if the recipient company (excluding a partnership) holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) holds directly at least 25% of the capital of the company paying the dividends; 15% in all other cases.*

(5) *10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends; 15% in all other cases.*

(6) *15% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company; 25% in all other cases.*

(7) *15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends; 25% in all other cases.*

(8) *20% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation; 25% in other cases. Notwithstanding the rates provided under the Convention between the Government of the Republic of the Philippines and the Government of the United States of America with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.*

(9) *If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price as provided under Section 127 of the Tax Code as amended by Section 39 of the TRAIN.*

(10) *Article 2(1)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on November 18, 1999.*

(11) *Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic signed on January 9, 1976 was signed in Paris, France on June 26, 1995.*

(12) *Article 2 (3)(a) of Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital signed on September 9, 2013.*

(13) *Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.*

(14) *Under the income tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.*

When availing of capital gains tax exemption on the sale of shares of stock under an income tax treaty, a tax treaty exemption ruling from the BIR shall be necessary in order to completely implement the transfer. For sale of shares made outside the PSE, a CAR from the BIR is required before the transfer is registered in the stock and transfer book. The BIR issues the CAR only after verifying that the applicable taxes have been paid. Thus, in lieu of proof

of payment of capital gains tax, the tax treaty relief ruling should be submitted to the BIR office processing the CAR.

The requirements for a tax treaty relief application in respect of capital gains tax or the stock transaction tax on the sale of shares are set out in Revenue Memorandum Order No. 72-2010 (Guidelines on the Processing of Tax Treaty Relief Applications **(TTRA)** Pursuant to Existing Philippine Tax Treaties dated August 25, 2010), BIR Form No. 0901-C, and other BIR issuances. These include proof of residence in the country that is a party to the income tax treaty. Proof of residence consists of a consularized certification from the tax authority of the country of residence of the seller of shares which provides that the seller is a resident of such country under the applicable income tax treaty. If the seller is a juridical entity, authenticated certified true copies of its articles of incorporation or association issued by the proper government authority should also be submitted to the BIR in addition to the certification of its residence from the tax authority of its country of residence.

The tax treaty relief application has to be filed with the BIR before the first taxable event as defined under Revenue Memorandum Order No. 72-2010, which, in respect of capital gains tax, is before the deadline for the payment of the documentary stamp tax on the sale of shares, or the fifth day following the end of the month when the document transferring ownership was executed.

With respect to the availment of preferential rates for dividends under an income tax treaty, most tax treaties to which the Philippines is a party provide for a reduced tax rate of 15.0% in cases where the dividend arises in the Philippines and is paid to a resident of the other contracting state. Most income tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the dividend, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant dividend-earning interest is effectively connected with such permanent establishment.

The BIR prescribed certain procedures for availment of tax treaty relief on dividends under Revenue Memorandum Order No. 8-2017 (Procedure for Claiming Tax Treaty Benefits for Dividend, Interest and Royalty Income of Nonresident Income Earners, dated October 24, 2016). The preferential treaty rates shall be applied by the withholding agent/income payor provided that the non-resident income recipient submits, before the dividends are credited or paid, a Certificate of Residence for Tax Treaty Relief (**CORTT**) Form that complies with Revenue Memorandum Order No. 8-2017. After the remittance of the withholding tax to the BIR, the withholding agent/income payor shall submit within 30 days an original copy of the duly accomplished CORTT Form.

Documentary Stamp Taxes

The original issue of shares is subject to documentary stamp tax of ₱2.00 on each ₱200.00 par value, or fraction thereof, of the shares issued. On the other hand, the transfer of shares is subject to a documentary stamp tax at a rate of ₱1.50 on each ₱200.00, or fractional part thereof, of the par value of the Shares. The documentary stamp tax is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable either by the vendor or the purchaser of the shares.

However, the sale, barter or exchange of shares of stock, should they be listed and traded through the PSE, are exempt from documentary stamp tax.

Estate and Gift Taxes

Shares issued by a domestic corporation are deemed to have a Philippine *situs* and their transfer by way of a succession or donation, even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate and donor's taxes.

The transfer of shares of stock upon the death of a registered holder to his heirs by way of succession, whether such an individual was a citizen of the Philippines or an alien, regardless of residence, shall be subject to an estate tax which is levied on the net estate of the deceased at a uniform rate of 6.0%. An Investor shall be subject to donor's tax at a uniform rate of 6.0% based on the value of the total gifts (such as shares of stock) in excess of

PHP250,000.00 made during a calendar year, regardless of the relationship (by blood or by affinity) between the donor and the donee.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. The estate tax and the donor's tax, however, shall not be collected in respect of intangible property, such as shares of stock: (1) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (2) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

In the case the shares of stock are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the shares of stock exceeded the value of the consideration may be deemed a gift, and donor's taxes may be imposed on the transferor of the shares of stock, based on Section 100 of the Philippine Tax Code, provided that a transfer of property made in the ordinary course of business (a transaction which is bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Taxation outside the Philippines

Shares of stock in a domestic corporation are considered under Philippine law to be situated in the Philippines and any gain derived from their sale is entirely from Philippine sources; hence, such gain is subject to Philippine income tax and the transfer of such shares by gift (donation) or succession is subject to the donor's tax or estate tax.

The tax treatment of a non-resident holder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of its domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations of non-resident holders of shares of stock under laws other than those of the Philippines.

IPO TAX

Republic Act No. 11494, otherwise known as the "Bayanihan to Recover As One Act," took effect on September 15, 2020. Section 6 of this law repealed Section 127(B) of the Philippine Tax Code on the IPO Tax. This law shall be in full force and effect until the next adjournment of the Eighteenth Congress of the Philippine government on December 19, 2020. As such, the Offer is not subject to the IPO Tax.

Under Revenue Regulations No. 23-2020 issued by the BIR, tax on shares of stocks sold, bartered, exchanged or other disposition through IPO provided under Section 127(B) of the Philippine Tax Code is repealed. Every sale, barter, exchange or other disposition through IPO of shares of stock in closely held corporations shall no longer be subject to IPO Tax.

CORPORATE RECOVERY AND TAX INCENTIVES ENTERPRISES BILL

The Corporate Recovery and Tax Incentives Enterprises (**CREATE**) Bill was signed into law on March 26, 2021. The salient provisions of the CREATE Bill include:

- reduction in corporate income tax (**CIT**) from the current 30% to 20% for MSMEs and to 25% for other corporate taxpayers by July 1, 2020;
- reduction in the minimum corporate income tax rate to 1% effective July 1, 2020 until June 30, 2023;

- effective July 1, 2020, a period of four to seven years during which export enterprises may enjoy the 5% special corporate income based on the gross income earned in lieu of all national and local taxes;

- extension of the applicability of the net operating loss carryover for losses incurred during the first three years from the start of commercial operation by registered projects or activities, from the current three to five consecutive taxable years immediately following the year of such loss;

- net capital gains derived by resident foreign corporations on the sale of shares of stock of domestic corporations not traded on the Philippine stock exchange will be subject to a final tax of 15%, increased from the current rate of 5% on the first ~US$2,000 and 10% on the excess thereof;

- Regional Operating Headquarters will be subject to regular CIT rates effective January 1, 2022, increased from the current 10% rate on taxable income;

- Qualified Registered Business Enterprises (**RBE**) will be granted an income tax holiday for four to seven years, depending on the assigned RBE category level. After the income tax holiday period, a special corporate income tax rate of 5% beginning July 1, 2020 will be imposed on gross income earned in lieu of all national and local taxes. The duration of the special corporate income tax is five to ten years depending on the assigned Registered Business Enterprises tier level; and

- in lieu of the special corporate income tax, enhanced deductions may be granted for a period of five to ten years depending on the assigned Registered Business Enterprises category level.

PLAN OF DISTRIBUTION

OVERVIEW

[Up to 1,080,000,000] Offer Shares, or about [30]% of the Firm Shares (the **Trading Participants and Retail Offer Shares**), are (subject to re-allocation as described below) being offered and sold by the Local Lead Underwriters at the Offer Price to all of the PSE Trading Participants and local small investors (**LSIs**) in the Philippines (the **Trading Participants and Retail Offer**).[237]

[At least 2,520,000,000] Offer Shares, or about [70]% of the Firm Shares (the **Institutional Offer Shares**), are (subject to re-allocation as described below) being offered for sale (i) outside the United States by the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners in offshore transactions in reliance on Regulation S of the U.S. Securities Act, (ii) within the United States through the Joint Global Coordinators', the Joint International Bookrunner's and the International Co-Bookrunners' U.S. registered broker-dealer affiliates to U.S. QIBs in reliance on Rule 144A under the U.S. Securities Act, and (iii) to certain qualified institutional buyers and other investors in the Philippines by the Local Lead Underwriters (the **Institutional Offer**). Notwithstanding the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners being named in this Prospectus, offers or sales by the Joint Global Coordinators, the Joint International Bookrunner or the International Co-Bookrunners of Offer Shares outside the Philippines are not governed by Philippine laws. The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Company, the Joint Global Coordinators and the Local Lead Underwriters. The Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners will underwrite on a firm commitment basis about [70]% of the Firm Shares, under and subject to the terms of the International Purchase Agreement (as defined below). The Local Lead Underwriters will underwrite on a firm commitment basis about [30]% of the Firm Shares, under and subject to the terms of the Domestic Underwriting Agreement (as defined below). There is no arrangement for any of the Joint Global Coordinators, the Local Lead Underwriters, the Joint International Bookrunner or the International Co-Bookrunners to return any of the Offer Shares relating to the Trading Participants and Retail Offer or the Institutional Offer to the Company or the Selling Shareholder.[238]

Roles and Responsibilities of the Coordinators and the Underwriters

The Joint Global Coordinators are responsible for the coordination of the various execution workstreams relating to the Offer.

The Joint Global Coordinators and the Local Lead Underwriters are assisting the Company in the book-building process, which includes marketing and allocation of the Offer to potential investors as described in this Plan of Distribution. None of the activities of the Joint Global Coordinators themselves have been or will be conducted in the Philippines, or would constitute licensable activities in the Philippines. In the case of the Local Lead Underwriters, which include BDO Capital, BPI Capital and First Metro, the potential investors will be based in the Philippines.

THE TRADING PARTICIPANTS AND RETAIL OFFER

The Trading Participants and Retail Offer Shares shall (subject to re-allocation as described below) initially be offered by the Local Lead Underwriters to the PSE Trading Participants and LSIs in the Philippines. [Up to 720,000,000] Firm Shares, or about [20]% of the Firm Shares, shall be allocated among the PSE Trading Participants. Each PSE Trading Participant shall initially be allocated [●] Firm Shares (computed by dividing the Trading Participants and Retail Offer Shares allocated to the PSE Trading Participants among the [128] PSE

[237] On March 1, 2021, a majority of the Board and stockholders representing at least 2/3 of the total issued and outstanding capital stock of the Company approved the amendment of the Articles of Incorporation of the Company to reflect, among others, the decrease in par value of the common shares of the Company from ₱1.00 to ₱0.50 per common share. Such decrease in par value and the corresponding amendment to the Articles of Incorporation of the Company are subject to approval by the Philippine SEC. In all the paragraphs above, the numbers and par value of common shares of the Company are stated assuming effectiveness of the aforementioned decrease of par value.

[238] See footnote 237.

Trading Participants) and subject to reallocation as may be determined by the Local Lead Underwriters. The balance of [●] Firm Shares shall be allocated by the Local Lead Underwriters to the PSE Trading Participants. A total of [up to 360,000,000] Firm Shares, or about [10]% of the Firm Shares, shall be made available nationwide to LSIs through the PSE Electronic Allocation System or "PSE EASy." An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱[1,000,000]. In the case of this Offer, the minimum subscription of LSIs shall be [500] shares or ₱[●] while the maximum subscription shall be [●] shares or up to ₱[●]. There will be no discount on the Offer Price.[239]

LSI Subscription through PSE EASy

A total of [up to 360,000,000] Firm Shares, or about [10]% of the Firm Shares, shall be made available nationwide to LSIs through the PSE Electronic Allocation System (**PSE EASy**). An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱[1,000,000.00]. In the case of this Offer, the minimum subscription of LSIs shall be [500] shares or [●] while the maximum subscription shall be [●] shares or up to [●]. [There will be no discount on the Offer Price]. The procedure in subscribing to Offer Shares via PSE EASy shall be described in the Company's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Local Lead Underwriters shall prioritize subscriptions of small investors with amounts lower than the maximum subscription.[240]

Payment for the Trading Participant and Retail Offer Shares must be made upon submission of the duly completed application form.

Upon closing of the Trading Participants and Retail Offer, any allocation of Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants and the LSIs shall be distributed by the Local Lead Underwriters to their clients or the general public in the Philippines or as otherwise agreed with the Joint Global Coordinators. Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants or the LSIs and which are not reallocated to the Institutional Offer, or taken up by the clients of the Local Lead Underwriters, or the general public, shall be purchased by the Local Lead Underwriters pursuant to the terms and conditions of the Domestic Underwriting Agreement (as defined below). Nothing herein or in the Domestic Underwriting Agreement shall limit the rights of each of the Local Lead Underwriters from purchasing the Offer Shares for its own account.

Local Lead Underwriters and Domestic Co-Lead Managers

To facilitate the Trading Participants and Retail Offer, the Company and the Selling Shareholder have appointed BDO Capital & Investment Corporation (**BDO Capital**), BPI Capital Corporation (**BPI Capital**) and First Metro Investment Corporation (**First Metro**) to act as the Local Lead Underwriters. The Company, the Selling Shareholder, and the Local Lead Underwriters entered into a Domestic Underwriting Agreement dated [●], 2021 (the **Domestic Underwriting Agreement**), whereby the Local Lead Underwriters agree to underwrite, on a firm commitment basis, a number of Firm Shares equivalent to the Trading Participants and Retail Offer Shares, subject to agreement between the Joint Global Coordinators and the Local Lead Underwriters, on any clawback, clawforward or other such mechanism relating to reallocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer.

The Domestic Underwriting Agreement entered into among the Company, the Selling Shareholder and the Local Lead Underwriters, is subject to certain conditions and may be subject to termination by the Local Lead Underwriters if certain circumstances, including force majeure, occur on or before the Listing Date.

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is duly licensed by the Philippine SEC to engage in the underwriting and distribution of securities and is a full-service investment house primarily involved in securities underwriting

[239] See footnote 237.
[240] See footnote 237.

and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. As of December 31, 2019, it had ₱3.89 billion and ₱3.60 billion in assets and capital, respectively. It has an authorized capital stock of ₱1.10 billion, of which approximately ₱1.00 billion represents its paid-up capital.

BPI Capital offers investment banking services in the areas of financial advisory, mergers and acquisitions, debt and equity underwriting, private placements, project finance and loan syndication. Founded in December 1994, BPI Capital is duly licensed by the Philippine SEC to engage in the underwriting and distribution of securities. As of December 31, 2020, its total assets amounted to ₱[3.9] billion and its capital base amounted to ₱[3.8] billion. It has an authorized capital stock of ₱[1.0] billion of which approximately ₱[506.4] million represents its paid-up capital. The firm operates as a wholly owned subsidiary of the Bank of the Philippine Islands.

First Metro is a leading investment bank in the Philippines with over fifty years of service in the development of the country's capital markets. It is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country, and is duly licensed by the Philippine SEC to engage in the underwriting and distribution of securities. First Metro and its subsidiaries offer a wide range of services, from debt and equity underwriting to loan syndication, project finance, financial advisory, investment advisory, government securities and corporate debt trading, equity brokering, online trading, asset management, and research. First Metro has earned a solid reputation for its creativity, innovation, and timely execution. It has proven its ability to create value and opportunities as well as provide solutions that are pioneering, game changing, and responsive to the needs of both issuers and investors. As of December 31, 2020, it had total consolidated assets of ₱[33.8] billion and a healthy capital adequacy ratio of [56.66]%.

[●] [*To add description of Domestic Co-Lead Managers*]

The Local Lead Underwriters and their affiliates have engaged in transactions with, and have performed various investment banking, commercial banking and other services for the Company or the Selling Shareholder in the past, and may do so for the Company, the Selling Shareholder and their respective subsidiaries and affiliates from time to time in the future. However, all services provided by the Local Lead Underwriters and the Domestic Co-Lead Managers, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to the Company or the Selling Shareholder. The Local Lead Underwriters and the Domestic Co-Lead Managers do not have any right to designate or nominate a member of the Board. The Local Lead Underwriters and the Domestic Co-Lead Managers have no direct relationship with the Company in terms of share ownership and, other than as the Local Lead Underwriters and the Domestic Co-Lead Managers for the Offer, do not have any material relationship with the Company or the Selling Shareholder.

On or before 11:00 a.m. on or about [●], 2021, the PSE Trading Participants shall submit to the designated representatives of the Receiving Agent their respective firm orders and commitments to purchase Trading Participants and Retail Offer Shares.

The Local Lead Underwriters shall receive from the Company and the Selling Shareholder a fee equivalent to up to [3.0]% of the gross proceeds of the sale of the Offer Shares attributed to the Local Lead Underwriters. The fees shall be withheld by the Receiving Agent from the proceeds of the Trading Participants and Retail Offer and any proceeds from the sale of the Institutional Offer Shares allocated to the Local Lead Underwriters.

PSE Trading Participants who take up Trading Participants and Retail Offer Shares shall be entitled to a selling fee of 1.00%, inclusive of VAT, of the Trading Participants and Retail Offer Shares taken up and purchased by the relevant PSE Trading Participant. The selling fee, less the applicable withholding tax, will be paid by the Receiving Agent to the PSE Trading Participants within ten banking days from the Listing Date.

All of the Trading Participants and Retail Offer Shares are or shall be lodged with the PDTC and shall be issued to the PSE Trading Participants and LSIs in scripless form. Purchasers of the Trading Participants and Retail Offer Shares may maintain the Trading Participants and Retail Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Trading Participants and Retail Offer

Shares from the PDTC's electronic system after the Listing Date. All costs or fees relating to such upliftment shall be for the account of the purchaser.

THE INSTITUTIONAL OFFER

The Institutional Offer Shares will be offered for sale (i) outside the United States by the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners in offshore transactions in reliance on Regulation S of the U.S. Securities Act, (ii) within the United States through the Joint Global Coordinators', the Joint International Bookrunner's and the International Co-Bookrunners' U.S. registered broker-dealer affiliates to U.S. QIBs in reliance on Rule 144A under the U.S. Securities Act, and (iii) to certain qualified institutional buyers and other investors in the Philippines, by the Local Lead Underwriters. The Institutional Offer includes the Cornerstone Shares allocated to Cornerstone Investors.

The allocation of the Firm Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to further adjustment as may be agreed between the Company, the Joint Global Coordinators and the Local Lead Underwriters. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

The international purchase agreement dated [●], 2021 (the **International Purchase Agreement**), entered into among the Company, the Selling Shareholder, the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners, is subject to certain conditions and may be subject to termination by the Joint Global Coordinators if certain circumstances, including force majeure, occur on or before the Listing Date.

Under the terms and conditions of the International Purchase Agreement, each of the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners has agreed, severally and not jointly, to procure purchasers for or failing which to purchase the respective number of Institutional Offer Shares opposite their names indicated in the following table.

	Number of Institutional Offer Shares
UBS AG Singapore Branch	[●]
Citigroup Global Markets Limited	[●]
J.P. Morgan Securities plc	[●]
Credit Suisse (Singapore) Limited	[●]
Macquarie Capital Securities (Singapore) Pte. Limited	[●]
Jefferies Singapore Limited	[●]

The table does not reflect the exercise of the Over-allotment Option that may or may not be exercised by [UBS AG Singapore Branch] and its relevant affiliates, as Stabilizing Agent, to purchase up to 540,000,000 Option Shares from the Selling Shareholder.

Joint Global Coordinators

UBS AG Singapore Branch

UBS AG provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS AG's strategy is centered on its leading global wealth management business and its premier universal bank in Switzerland, enhanced by Asset Management and the Investment Bank.

Headquartered in Zurich, Switzerland, UBS AG has offices in over 50 regions and locations, including all major financial centers, and employs approximately 67,000 people.

Citigroup Global Markets Limited

Citigroup Global Markets Limited is a licensed international broker dealer, providing products and services for institutional clients. It is a market maker in equity, fixed income and commodity products across cash, over-the-counter (OTC) derivatives and exchange traded markets, as well as a provider of investment banking capital markets and advisory services. Citigroup operates globally, generating the majority of its business from the Europe, Middle East and Africa (EMEA) region with the remainder coming from Asia and the Americas.

Citigroup Global Markets Limited is authorized by the Prudential Regulation Authority and regulated by the PRA and Financial Conduct Authority. Additionally, it is also a Commodity Futures Trading Commission registered swap dealer.

J.P. Morgan Securities plc

J.P. Morgan and/or its subsidiaries, branches, affiliates and associates (the **J.P. Morgan Group**) is a leading global financial services firm with operations worldwide, and a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. J.P. Morgan's Corporate & Investment Bank is a global leader across banking, markets, securities services and wholesale payments. Corporations, governments and institutions throughout the world entrust us with their business in more than 100 countries. The Corporate & Investment Bank provides strategic advice, raises capital, manages risk and extends liquidity in markets around the world.

Joint International Bookrunner

Credit Suisse (Singapore) Limited

Credit Suisse, together with its affiliates, forms the Credit Suisse Group (collectively, the **Credit Suisse Group**), a worldwide group of companies that is involved in a wide range of banking, investment banking, private banking, private equity, asset management and other investment and financial businesses and services, both for their own account and for the accounts of clients and customers. Credit Suisse and the other members of the Credit Suisse Group provides a broad range of investment banking services to corporations, financial institutions, financial sponsors and ultra-high-net-worth individuals and sovereign clients. Credit Suisse's range of products and services includes advisory services related to mergers and acquisitions, divestitures, takeover defense mandates, business restructurings and spin-offs. Credit Suisse also engages in debt and equity underwriting of public securities offerings and private placements.

International Co-Bookrunners

Macquarie Capital Securities (Singapore) Pte. Limited

Macquarie Capital Securities (Singapore) Pte. Limited (**Macquarie**) is a wholly owned subsidiary of Macquarie Group Limited which is a global financial services group listed on the Australian Securities Exchange and operating in 31 markets globally. Macquarie offers advisory and capital raising services including mergers and acquisitions, private capital markets, project financing, principal financing and equity capital markets. The group has been operating for over 50 years and is headquartered in Sydney, Australia.

Jefferies Singapore Limited

Jefferies Group LLC, the largest independent full-service global investment banking firm headquartered in the U.S. focused on serving clients for nearly 60 years, is a leader in providing insight, expertise and execution to investors, companies and governments. Our firm provides a full range of investment banking, advisory, sales and

trading, research and wealth management services across all products in the Americas, Europe and Asia. Jefferies Group LLC is a wholly owned subsidiary of Jefferies Financial Group Inc. (NYSE: JEF), a diversified financial services company.

Each of the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners and their respective affiliates have, from time to time, engaged in, and may in the future engage in, investment banking, financing, private banking, commercial banking or financial consulting activities and other commercial dealings in the ordinary course of business with the Company, the Selling Shareholder or their respective affiliates. They have received and expect to continue to receive customary fees and commissions for these activities and dealings. In addition, in the ordinary course of business, each of the Joint Global Coordinators, the Joint International Bookrunner and the International Co-Bookrunners and their respective affiliates may trade the Company's securities or the securities of the Company's affiliates or derivatives relating to the foregoing securities for its or its affiliates' own account or for the accounts of customers, and may at any time hold a long or short position in such securities.

Investors in the Institutional Offer will be required to pay, in addition to the Offer Price, a brokerage fee of up to 1.00% of the Offer Price.

Cornerstone Investment Agreements

Concurrently with and as part of the Institutional Offer, each of the entities listed below (the **Cornerstone Investors**, and each a **Cornerstone Investor**) has entered into a cornerstone investment agreement with the Company[, the Selling Shareholder] and the Joint Global Coordinators [or the Local Lead Underwriters] to purchase Offer Shares (the **Cornerstone Shares**) from the Company and the Selling Shareholder at the Offer Price. At the Offer Price of ₱[●], the Cornerstone Shares represent [●]% of the Offer Shares (assuming full exercise of the Over-allotment Option) and [●]% of the Offer Shares (assuming the Over-allotment Option is not exercised). [Cornerstone Investors will not be subject to a lock-up requirement on the Cornerstone Shares.]

The Offer is not conditional on the completion of the purchase of the Cornerstone Shares by any of the Cornerstone Investors. Cornerstone Investors may also participate in the Offer by purchasing Offer Shares through the book building process for the Offer Shares in addition to their Cornerstone Shares. The purchase of Cornerstone Shares will not limit the number of Offer Shares which the Cornerstone Investors may purchase as part of the Offer.

The Cornerstone Investors

A brief description of the Cornerstone Investors is provided below.

[●]

The Over-allotment Option

In connection with the Offer, subject to the approval of the Philippine SEC, the Selling Shareholder has granted the Stabilizing Agent an Over-allotment Option, exercisable in whole or in part to purchase up to 540,000,000 Option Shares at the Offer Price and on the same terms and conditions as the Firm Shares, as set forth herein, from time to time for a period which shall not exceed 30 calendar days from and including the Listing Date. In connection therewith, the Selling Shareholder has entered into a greenshoe agreement with the Stabilizing Agent to utilize up to 540,000,000 Option Shares to cover over-allocations under the Institutional Offer. Any Shares that may be delivered to the Stabilizing Agent under the greenshoe agreement will be re-delivered to the Selling Shareholder either through the purchase of Shares in the open market by the Stabilizing Agent in the conduct of stabilization activities or through the exercise of the Over-allotment Option by the Stabilizing Agent.[241]

[241] See footnote 237.

The Option Shares may be over-allotted and the Stabilizing Agent may effect price stabilization transactions for a period beginning on or after the Listing Date, but extending no later than 30 days from the Listing Date. The Stabilizing Agent may purchase Shares in the open market only if the market price of the Common Shares falls below the Offer Price. The initial stabilization action shall be at a price below the Offer Price. After the initial stabilization action, (i) if there has not been an independent trade (i.e., a trade made by a person other than the Stabilizing Agent for itself or on behalf of its clients) in the market at a higher price than the initial stabilization trade, the subsequent trade shall be below the initial stabilization price, or (ii) if there has been an independent trade in the market at a higher price than the initial stabilization trade, the subsequent trade shall be at the lower of the stabilizing action price or the independent trade price. Such activities may stabilize, maintain or otherwise affect the market price of the Common Shares, which may have the effect of preventing a decline in the market price of the Common Shares and may also cause the price of the Common Shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If the Stabilizing Agent commences any of these transactions (which would include thereafter disposing of or selling the Common Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Common Shares will not decline significantly after any such stabilizing activities end.

Once the Over-allotment Option has been fully exercised by the Stabilizing Agent, it will no longer be allowed to purchase Common Shares in the open market for the conduct of stabilization activities and the Stabilizing Agent (through its authorized affiliate) will remit the proceeds from the exercise of the Over-allotment Option to the Selling Shareholder. As discussed under the section "*Dilution,*" if the Over-allotment Option is fully exercised, the number of shares held by new investors will be up to 4,140,000,000 Common Shares and the public float will increase to approximately [23.0]%. The partial or full exercise of the Over-allotment Option will not trigger the issuance of any new Common Shares to the Selling Shareholder to offset the Common Shares sold under the Over-allotment Option. To the extent the Over-allotment Option is not fully exercised by the Stabilizing Agent, the same shall be deemed cancelled and the relevant Option Shares shall be re-delivered to the Selling Shareholder.[242]

Lock-Up

The PSE rules require existing shareholders owning at least 10% of the outstanding shares of a company not to sell, assign or in any manner dispose of their shares for a period of 180 days after the listing of the shares.

In addition, if there is any issuance or transfer of Shares (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of Shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within 180 days prior to the start of the Offer, and the transaction price is lower than that of the Offer Price, all such Shares issued or transferred shall be subject to a lock-up period of at least 365 days from full payment of such Shares.

See "*Principal and Selling Shareholders*" on page 280 for more information on the Shares of the Selling Shareholder subject to the foregoing lock-up periods.

In addition to the regulatory lock-up under PSE rules and to the extent otherwise permissible under applicable rules, the Company and the Selling Shareholder have agreed with the Joint Global Coordinators that, except in connection with the Over-allotment Option, they will not, without the prior written consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any shares or securities convertible or exchangeable into or exercisable for any shares or warrants or other rights to purchase shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the Listing Date, subject to certain exceptions in the

[242] See footnote 237.

International Purchase Agreement (without prejudice to the applicability of the regulatory lock-up under the PSE rules as the PSE may determine on the following transfers), including:

- with respect to the Company;
    - o [any sale of Common Shares pursuant to the Offer (including pursuant to the Over-allotment Option);
    - o issuances of shares pursuant to a stock split or free share distribution; and
    - o transfers required by applicable law or by any competent authority; and]
- with respect to the Selling Shareholder;
    - o [any sale of Common Shares pursuant to the Over-allotment Option;
    - o transfers as may be required by applicable law or by any competent authority; and
    - o transfers with the prior written consent of the Joint Global Coordinators.]

Registration of Foreign Investments

The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the Philippine banking system. Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately and in full through the Philippine banking system, net of applicable tax, without need of BSP approval. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See "*Philippine Foreign Exchange and Foreign Ownership Controls*" on page 302.

Selling Restrictions

The distribution of this Prospectus or any offering material and the offer, sale or delivery of the Offer Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Prospectus or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

Philippines

No securities, except for a class exempt under Section 9 of the SRC or unless sold in any transaction exempt under Section 10 thereof, shall be sold or distributed by any person within the Philippines, unless such securities shall have been registered with the Philippine SEC on Form 12-1 and the registration statement has been declared effective by the Philippine SEC.

LEGAL MATTERS

Certain legal matters as to Philippine law in connection with the Offer will be passed upon by Angara Abello Concepcion Regala & Cruz, legal counsel to the Joint Global Coordinators and the Local Lead Underwriters, and Picazo Buyco Tan Fider & Santos, legal counsel to the Company. Certain legal matters as to United States federal law in connection with the Offer will be passed upon by Milbank LLP, international legal counsel to the Joint Global Coordinators and the Local Lead Underwriters, and Allen & Overy LLP, international legal counsel to the Company. None of the above-mentioned advisors have any direct or indirect interest in the Company arising from the Offer.

Each of the foregoing legal counsels has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for securities in the Company. None of the legal counsels will receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer.

INDUSTRY EXPERTS

Euromonitor was responsible in its capacity as an expert in packaged food industry in Philippines and Thailand for preparing (i) a report relating to the same, extracts of which comprise the information in the section "*Industry Overview — Industry Overview by Euromonitor*" in this Prospectus, and (ii) certain other information attributed to Euromonitor in this Prospectus. OC&C was responsible in its capacity as an expert in alternative meat industry for preparing (i) a report relating to the same, extracts of which comprise the information in the section "*Industry Overview — Industry Overview by OC&C*" in this Prospectus, and (ii) certain other information attributed to OC&C in this Prospectus.

Apart from the preparation of the industry report, Euromonitor has no relationship with the Company. Apart from the preparation of the industry report and other past commercial transactions, OC&C has no relationship with the Company. The information provided by each of Euromonitor and OC&C has been derived in part from publicly available government sources, market data providers and other independent third party sources. While the report prepared by each of Euromonitor and OC&C provides that the views, opinions, forecasts and information contained in it are based on information reasonably believed by Euromonitor and OC&C, respectively, in good faith to be reliable, each of Euromonitor and OC&C makes no representation as to the accuracy of the information prepared by it set forth in this Prospectus and the information should not be relied upon in making, or refraining from making, any investment decision. Each of Euromonitor and OC&C has given, and has not withdrawn, its consent to the issue of this Prospectus with the inclusion of its name and all the information attributed to it in this Prospectus, in the form and context in which they are included.

INDEPENDENT AUDITORS

SyCip Gorres Velayo & Co. (**SGV**), a member firm of Ernst & Young Global Limited (**EY**), independent auditors, has audited the Group's consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020, as stated in its report attached to this Prospectus. The Group has not had any material disagreements on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure with its current independent auditors for the same periods or any subsequent interim period.

SGV has neither shareholdings in the Company or any of its subsidiaries nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company or any of its subsidiaries. SGV will not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto) or any of the Company's subsidiaries or their securities pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees for professional services rendered by SGV, excluding out-of-pocket expenses incidental to such services and excluding fees directly related to the Offer.

	2019	**2020**
	(**₱ million**)	
Audit and audit-related fees		
Audit services[1]	8.3	16.0
Other assurance and related services[2]	3.6	2.4
Tax fees[3]	0.6	2.4
Other fees[4]	-	2.5
Total	12.5	23.3

Note:

1 *This category includes the audit of financial statements and services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for those calendar years.*

2 *This category includes agreed-upon procedures, advisory and trainings on certain accounting standards.*

3 *This category includes professional services covering tax accounting, compliance, advice, planning and any other forms of tax services.*

4 *This category includes transaction advisory engagements.*

In relation to the audit and review of the Company's annual financial statements, the Company's Manual on Corporate Governance provides that the Audit Committee shall, among other activities: (i) recommend to the Board the appointment, reappointment, removal, and fees of the Philippine SEC-accredited independent auditors, who undertakes an objective audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared; (ii) disallow non-audit work provided by the independent auditors that will conflict with their functions as independent auditors or which may pose a threat to their independence; and (iii) ensure the compliance of the Company with laws, rules and regulations which include acceptable auditing and accounting standards and regulations.

INDEX TO FINANCIAL STATEMENTS

ANNEX A

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020

ANNEX B

LIST OF MATERIAL PERMITS AND LICENSES

List of Permits and Licenses
A. MONDE NISSIN CORPORATION

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
Local Government Unit (LGU)	Business Permit for Felix Reyes St., Balibago, City of Sta. Rosa	3449-21	9-Feb-21	Valid Until: 31-Dec-21
LGU	Business Permit for Lot 9012 lndustrial Park Hacienda Dolores Porac, Pampanga	21-046	15-Jan-21	Valid Until: 31-Dec-21
LGU	Mayor's Permit to operate manufacture of noodles and farinaceous, food manufacture in Alviera Industrial Park Hacienda Dolores Porac Pampanga	2021-1900	15-Feb-21	Valid Until: 31-Dec-21
Department of Environment and Natural Resources (**DENR**)	Environmental Compliance Certificate for the Snack and Bakery Production Expansion Project located in Brgy. Balibago, Sta. rosa Laguna	ECC-4A-200555-120	17-Sep-01	Valid
DENR	Environmental Compliance Certificate for the proposed Flour Mill Expansion and Bran Warehouse Project located at Brgy. Balibago, Sta. Rosa, Laguna	ECC-4A-2002-696-120	4-Dec-02	Valid
DENR	Environmental Compliance Certificate for the New Megamall Warehouse Project located at F. Reyes Street, Barangay Balibago, City of Sta. Rosa Laguna	ECC-R4A-1406-0348	30-Jul-14	Valid
DENR	Environmental Clearance Certificate for the Snack and Bakery Production Expansion Project of MNC with production capacity not to exceed 720,000 kg of bakery products per day	ECC 4A 2001-555-120	17-Sep-2001	Valid
DENR	Environmental Compliance Certificate for the Expansion Project of MDNBC with production capacity not to exceed 332,000 kg of biscuits and noodles per day	ECC 533-LA-120-96	8-Oct-1996	Valid
DENR	ECC for the Co-Generation Facility Project of MNC with a capacity of 8,398 KW	ECC-4A-2003-318-120	4-Apr-2003	Valid
DENR	Environmental Compliance Certificate Manufacturing Plant	ECC-R11-1712-0024	20-Dec-17	Valid

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
	in Km. 17, Brgy. Ilang, Davao City			
DENR	Environmental Compliance Certificate Manufacturing Plant in Km. 17, Brgy. Ilang, Davao City	ECC-R11-1712-0024	20-Dec-17	Valid
DENR	Environmental Compliance Certificate Manufacturing Plant in Sacris Road, Casuntingan, Mandaue City	ECC-R07-0803-0173-107	01-Jul-08	Valid
DENR	Environmental Compliance Certificate for MNC-Cebu Expansion and Redevelopment Project	ECC-R07-0803-0173-107	01-Jul-08	Valid
DENR	Wastewater Discharge Permit – Cebu	DP-R07-20-01828	14-Apr-20	Valid Until: 14-Oct-22
DENR	Environmental Compliance Certificate Manufacturing Plant in Alviera Industrial Park Barangay Hacienda Dolores, Porac, Pampanga.	R03-04052017-4440	2-Mar-2018	Valid
DENR	LLDA Discharge Permit	DP-20b-017-0062	18-Mar-20	Pending Renewal
Food and Drug Administration (“FDA”)	License to Operate (“LTO”) as a Food Manufacturer/ Exporter Business Address: Sacris Road, Casuntingan, Mandaue City Manufacturer of multi-products Import food products exclusively for its own use	CFRR-RVII-FM-2156	19-Sep-16	Valid Until: 2-Aug-21
FDA	Certificate of Current Good Manufacturing Practice	For LTO No. CFRR-RVII-FM-2156	19 Sep 2016	Valid Until: 2 Aug 2021
FDA	LTO as a Food Manufacturer Business Address: Km. 17, Brgy. Ilang, Davao City Manufacturer of cereal based products Import food products exclusively for its own use	CFRR-RXI-FM-2845	22-Nov-16	Valid Until: 13-Nov-21
FDA	Certificate of Current Good Manufacturing Practice Business Address: Km. 17, Brgy. Ilang, Davao City	For LTO No. CFRR-RXI-FM-2845	22-Nov-16	Valid Until:13-Nov-21
FDA	LTO as a Food Manufacturer Business Address: Felix Reyes St. Balibago, Santa Rosa, Laguna	LTO-3000002930180	20 Nov 2018	Valid Until:21-Jan-22
FDA	Certificate of Current Good Manufacturing Practice	For LTO No. LTO-3000002930180	6 Oct 2018	Valid Until: Jan 21, 2022

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	LTO as a Food Manufacturer Business Address: Lot 9-12 Alviera Industrial Park Barangay Hacienda Dolores, Porac, Pampanga	LTO-3000004772245	8 Aug 2019	Valid Until:8-Aug-21
FDA	LTO as a Food Trader Felix Reyes St. Balibago, Santa Rosa, Laguna	LTO-3000003641900	1Oct 2018	Valid Until: 28-Sep-23
FDA	LTO as a Food Importer/ Wholesaler Business Address: Felix Reyes St. Brgy. Balibago, City of Sta. Rosa, Laguna	LTO-3000001146184	24 May 2017	Valid Until: 31-Dec-21
FDA	Certificate of Current Good Manufacturing Practice	For LTO No. CFRR-RIV-FM-2159	6-Oct-16	Valid Until: 21-Jan-22
FDA	Certificate of Product Registration ("CPR") - Double Choco-Chocolate Cream Filled Chocolate Sandwich Cookies	FR-4000004973740	7-May-20	Valid Until: 7-May-25
FDA	CPR - Orange - Orange Cream Filled Chocolate Sandwich Cookies	FR-4000005197855	5-May-20	Valid Until: 5-May-25
FDA	CPR - Vanilla- Vanilla Cream Filled Chocolate Sandwich	FR-4000004974264	6-May-20	Valid Until: 6-May-25
FDA	CPR - Bulalo (Artificial Beef and Bone Marrow Flavour) Instant Oriental Noodle Soup (For Export only)	FR-4000005317475	4-Nov-19	Valid Until: 4-Nov-24
FDA	CPR - La Paz Batchoy (Artificial Beef Flavour Garlic) Instant Oriental Noodle Soup (For Export only)	FR-4000005315482	26-Cct-19	Valid Until: 28-Oct-24
FDA	CPR - Batchoy Flavour (Beef with Garlic Flavour) Instant Oriental Noodle Soup (For Export Market)	FR-4000004850889	2-Aug-19	Valid Until: 7-Aug-24
FDA	CPR - Beef Flavour Instant Noodle Soup (For Export Market)	FR-4000004884363	25-Sept-19	Valid Until: 25-Sep-24
FDA	CPR - Bulalo Flavour (Beef Bone Marrow Flavour) Instant Noodle Soup (For Export Market)	FR-4000004877433	19-jul-19	Valid Until: 19-Jul-24
FDA	CPR -Chicken Flavor Instant Noodle (For Export Market)	FR-4000004823885	27-Aug-19	Valid Until: 27-Aug-24
FDA	CPR - Jjampong Flavour (Korean-style Spicy Seafood) Instant Noodle Soup (For Export Market)	FR-4000004876733	7-Aug-19	Valid Until: 7-Aug-24
FDA	CPR - Bulalo (Artificial Beef and Bone Marrow Flavor) Instant Noodle Soup (For Export Market only)	FR-4000004502025	10-Jul-19	Valid Until: 10-Jul-24

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - La Paz Batchoy (Artificial Beef with Garlic) Instant Noodle Soup (For Export Market)	FR-4000004502937	15-Jul-19	Valid Until: 15-Jul-24
FDA	CPR - Beef na Beef Flavor Instant Mami Noodles (Mas Pina-sarap!)	FR-4000003905719	17-Apr-20	Valid Until: 17-Apr-25
FDA	CPR - Mami-Chicken na Chicken Flavor Instant Mami Noodles	FR-4000000778093	11-Mar-17	Valid Until: 11-Mar-22
FDA	CPR - Itnok Chicken with Egg Flavor Instant Mami Noodles	FR-4000000926405	17-Apr-20	Valid Until:8-Apr-22
FDA	CPR - Spicy Labuyo Beef Flavor Instant Mami Noodles	FR-4000000926085	20-Apr-20	Valid Until: 11-Nov-21
FDA	CPR - Spicy Labuyo Chicken Flavor Instant Mami Noodles	FR-4000001054464	20-Apr-20	Valid Until: 24-Jan-22
FDA	CPR - Spicy Labuyo Pork Flavor Instant Mami Noodles	FR-4000001053689	17-Apr-20	Valid Until:24-Jan-22
FDA	CPR - Butter Lemon Cracker Sandwich (For Export Use only)	FR-4000000927802	27-Nov-17	Valid Until: 27-Nov-22
FDA	CPR - Creamy Butter Cracker Sandwich (For Export Market Only)	FR-4000000927118	20-Nov-17	Valid Until: 20-Nov-22
FDA	CPR - Honey Butter Cracker Sandwich (For Export Market Only)	FR-4000000926841	18-Dec-17	Valid Until: 18-Dec-22
FDA	CPR - Super Choco Cracker Sandwich (For Export Market Only)	FR-4000000927509	27-Nov-17	Valid Until: 27-Nov-22
FDA	CPR - Cracker Sandwich Butter and Lemon Flavored Cream (For Export Market Only)	FR-4000002719018	30-May-18	Valid Until: 30-May-23
FDA	CPR - Cracker Sandwich Honey Butter Flavored Cream (For Export Market Only)	FR-4000002760319	18-Apr-18	Valid Until: 18-Apr-23
FDA	CPR - Bread Stix Cheese	FR-4000000928124	18-Apr-17	Valid Until: 18-Apr-22
FDA	CPR - Bread Stix	FR-4000006745651	14-Sep-20	Valid Until: 14-Sep-25
FDA	CPR - Bread Stix	FR-4000006745677	14-Sep-20	Valid Until: 14-Sep-25
FDA	CPR - Eggnog Cookies	FR-4000003890000	5-Apr-19	Valid Until: 5-Apr-24
FDA	CPR - Eggnog Cookies	FR-4000003888191	5-Apr-19	Valid Until: 5-Apr-24
FDA	CPR - Stick Wafer Chocolate - Stick Wafer with Chocolate Flavored Cream Filling	FR-4000001413296	29-Apr-19	Valid Until: 15-Jun-22
FDA	CPR - Stick Wafer Strawberry - Stick Wafer with Strawberry Flavored Cream Filling	FR-4000001412958	6-May-19	Valid Until: 15-Jun-22

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Cafe Mocha - Mocha Cream Filled Cracker Wafer Sandwich Topped with Sugar	FR-4000001409567	5-Apr-19	Valid Until: 15-Jun-22
FDA	CPR - Combo Choco-Chocolate Cream Filled Cracker - Wafer Sandwich Topped with Sugar	FR-4000001404331	5-Apr-19	Valid Until: 5-May-22
FDA	CPR - Strawberry Cream Filled Cracker Wafer Sandwich	FR-4000001408115	5-Apr-19	Valid Until: 15-Jun-22
FDA	CPR - Wafer Choco - Choco Wafers with Delicious Chocolate Flavored Cream Filling	FR-4000006307071	30-Jun-20	Valid Until: 30-Jun-25
FDA	CPR - Wafer Vanilla - Vanilla-filled Wafers (Wafers with Delicious Vanilla Flavored Cream Filling)	FR-4000006307042	16-Oct-20	Valid Until: 26-Jun-25
FDA	CPR - Wafer Yummy Butter - Butter-filled Wafers Wafers with Delicious Butter Flavored Cream	FR-4000006306980	6-Jul-20	Valid Until: 6-Jul-25
FDA	CPR - Instant Pancit Canton Chili and Citrus Flavor (For Export Market Only)	FR-4000002172028	25-Jan-18	Valid Until: 25-Jan-23
FDA	CPR - Instant Pancit Canton Citrus Flavor (For Export Market Only)	FR-4000002165619	23-Jan-18	Valid Until: 23-Jan-23
FDA	CPR - Instant Pancit Canton Hot Chili Flavour (For Export Market Only)	FR-4000002167253	24-Jan-18	Valid Until: 24-Jan-23
FDA	CPR - Instant Pancit Canton Original Flavour (For Export Market Only)	FR-4000002203072	11-Jan-18	Valid Until: 11-Jan-23
FDA	CPR - Instant Pancit Canton Sweet and Spicy Flavour (For Export)	FR-4000002171155	30-Nov-17	Valid Until: 29-Sep-22
FDA	CPR - Instant Pancit Canton Fried Noodles Chilmansi Flavor (For Export Market Only)	FR-4000005306527	19-Dec-19	Valid Until: 19-Dec-24
FDA	CPR - Instant Pancit Canton Fried Noodles Hot Chili Flavour (For Export)	FR-4000005306992	2-Jan-20	Valid Until: 2-Jan-25
FDA	CPR - Instant Pancit Canton Fried Noodles Kalamansi Flavour (For Export Market Only)	FR-4000005305029	19-Dec-19	Valid Until: 19-Dec-24
FDA	CPR - Instant Pancit Canton Fried Noodles Original Flavour (For Export)	FR-4000005312829	16-Jan-20	Valid Until: 16-Jan-25
FDA	CPR - Instant Pancit Canton Fried Noodles Sweet & Spicy Flavour (For Export Market Only)	FR-4000005311305	17-Dec-19	Valid Until: 17-Dec-24

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Pancit Canton Chow Mein Noodles Chilimansi Flavor (Chili & Philippine Lemon Flavor) (For Export)	FR-4000004511384	9-Jul-19	Valid Until: 9-Jul-24
FDA	CPR - Pancit Canton Chow Mein Noodles Hot Chili Flavor (For Export)	FR-4000004508472	8-Jul-19	Valid Until: 8-Jul-24
FDA	CPR - Pancit Canton Chow Mein Noodles Kalamansi Flavor (Philippine Lemon Flavor) (For Export Market Only)	FR-4000004506506	8-Jul-19	Valid Until: 8-Jul-24
FDA	CPR - Pancit Canton Chow Mein Noodles Original Flavor (For Export)	FR-4000004505040	28-Jun-19	Valid Until: 28-Jun-24
FDA	CPR - Pancit Canton Chow Mein Noodles Sweet & Spicy Flavor (For Export Market Only)	FR-4000004503611	10-Jul-19	Valid Until: 10-Jul-24
FDA	CPR - Instant Pancit Canton-Chilimansi Flavor	FR-4000004408336	12-Jul-19	Valid Until:12-Jul-24
FDA	CPR - Instant Pancit Canton Extra Hot Chili Flavor	FR-4000002652904	9-May-18	Valid Until: 9-May-23
FDA	CPR - Instant Pancit Canton-Kalamansi Flavor	FR-4000001302198	24-Aug-18	Valid Until: 24-Aug-23
FDA	CPR - Instant Pancit Canton-Original Flavor	FR-4000001302387	4-Sep-18	Valid Until:4-Sep-23
FDA	CPR - Instant Pancit Canton-Sweet & Spicy Flavor	FR-4000003031380	8-May-18	Valid Until: 8-May-23
FDA	CPR - Instant Pancit Canton Chilimansi Flavor - Thinner Noodles	FR-4000006006415	15-Apr-20	Valid Until: 15-Apr-25
FDA	CPR - Instant Pancit Canton Extra Hot Chili Flavor - Thinner Noodles	FR-4000006004392	15-Apr-20	Valid Until: 15-Apr-25
FDA	CPR - Instant Pancit Canton Kalamansi Flavor - Thinner Noodles	FR-4000006003070	16-Apr-20	Valid Until: 16-Apr-25
FDA	CPR - Instant Pancit Canton Original Flavor - Thinner Noodles	FR-4000006041919	16-Apr-20	Valid Until: 16-Apr-25
FDA	CPR - Instant Pancit Canton Sweet & Spicy Flavor - Thinner Noodles	FR-4000006007290	16-Apr-20	Valid Until:16-Apr-25
FDA	CPR - Instant Noodles Artificial Beef Flavour (For Export Market Only)	FR-4000003903866	11-Jan-21	Valid Until: 11-Jan-26
FDA	CPR - Instant Noodles Artificial Chicken Flavour (For Export Market Only)	FR-4000003906435	11-Jan-21	Valid Until: 11-Jan-26
FDA	CPR - Beef na Beef Flavor Instant Mami Noodles (Mas Pina-sarap!)	FR-4000006179166	6-May-20	Valid Until: 6-May-25

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Mami-Chicken na Chicken Flavor Instant Mami Noodles	FR-4000000748801	4-Apr-17	Valid Until: 4-Apr-22
FDA	CPR - Itnok Chicken with Egg Flavor Instant Mami Noodles	FR-4000000748814	4-Apr-17	Valid Until: 20-Apr-22
FDA	CPR - Spicy Labuyo Beef Flavor Instant Mami Noodles	FR-4000000778341	7-May-20	Valid Until:11-Apr-22
FDA	CPR - Instant Pancit Canton Chilimansi Flavor - Thinner Noodles	FR-4000006082336	16-Apr-20	Valid Until: 16 -Apr-25
FDA	CPR - Instant Pancit Canton Extra Hot Chili Flavor - Thinner Noodles	FR-4000006081753	23-Apr-20	Valid Until: 23-Apr-25
FDA	CPR - Instant Pancit Canton Kalamansi Flavor - Thinner Noodles	FR-4000006081333	16-Apr-20	Valid Until: 16-Apr-25
FDA	CPR - Instant Pancit Canton Original Flavor - Thinner Noodles	FR-4000006079235	16-Apr-20	Valid Until:16-Apr-25
FDA	CPR - Instant Pancit Canton Sweet & Spicy Flavor - Thinner Noodles	FR-4000006079860	23-Apr-20	Valid Until: 23-Apr-25
FDA	CPR - Beef na Beef Flavor Instant Mami Noodles (Mas Pina-sarap!)	FR-4000006179166	6-May-20	Valid Until: 6-May-25
FDA	CPR - Mami-Chicken na Chicken Flavor Instant Mami Noodles	FR-4000000748801	4-Apr-17	Valid Until: 4-Apr-22
FDA	CPR - Itnok Chicken with Egg Flavor Instant Mami Noodles	FR-4000000748814	7-May-20	Valid Until: 20-Apr-22
FDA	CPR - Spicy Labuyo Beef Flavor Instant Mami Noodles	FR-4000000778341	7-May-20	Valid Until: 11-Apr-22
FDA	CPR - Instant Pancit Canton Chilimansi Flavor - Thinner Noodles	FR-4000006082336	16-Apr-20	Valid Until: 16 -Apr-25
FDA	CPR - Instant Pancit Canton Extra Hot Chili Flavor - Thinner Noodles	FR-4000006081753	23-Apr-20	Valid Until: 23-Apr-25
FDA	CPR - Instant Pancit Canton Kalamansi Flavor - Thinner Noodles	FR-4000006081333	16-Apr-20	Valid Until: 16-Apr-25
FDA	CPR - Instant Pancit Canton Original Flavor - Thinner Noodles	FR-4000006079235	16-Apr-20	Valid Until: 16-Apr-25
FDA	CPR - Instant Pancit Canton Sweet & Spicy Flavor - Thinner Noodles	FR-4000006079860	23-Apr-20	Valid Until: 23-Apr-25
FDA	CPR - Instant Pancit Canton Chilimansi Flavor	FR-4000004420738	13-Aug-19	Valid Until: 13-Aug-24
FDA	CPR - Instant Pancit Canton Extra Hot Chili Flavor	FR-4000002709701	5-June-18	Valid Until:5-Jun-23
FDA	CPR - Instant Pancit Canton – Kalamansi Flavor	FR-4000003032279	1-Aug-18	Valid Until: 1-Aug-23

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Instant Pancit Canton – Original Flavor	FR-4000003030101	3-Aug-18	Valid Until: 3-Aug-23
FDA	CPR - Instant Pancit Canton Sweet & Spicy Flavor	FR-4000003034826	20-Aug-18	Valid Until: 20-Aug-23
FDA	CPR - Cookie Hugs Mint (Seal it with a Sweet Hug of Bingo Cream Filled Cookies Coated in Rich Chocolate)	FR-4000004725077	28-Aug-19	Valid Until: 28-Aug-24
FDA	CPR - Double Choco-Chocolate Cream Filled	FR-4000006178495	6-May-20	Valid Until: 06-May-25
FDA	CPR - Orange - Orange Cream Filled Chocolate Sandwich Cookies	FR-4000006178815	28-Apr-20	Valid Until: 28-Apr-25
FDA	CPR - Cheese Bar- Cheese Flavored Cake Bar Monde	FR-4000004618492	19-Dec-19	Valid Until: 10-Dec-24
FDA	CPR - Banana Bar with Choco Bits – Banana Cake Bar with Chocolate Bits	FR-4000006078450	18-Jan-21	Valid Until: 23-Sep-25
FDA	CPR - Special Mamon Classic	FR-4000001581071	24-Sep-20	Valid Until: 6-Feb-26
FDA	CPR - Expck - Soy Sauce and Oil (for Export Market Only)	FR-4000005806812	3-Apr-20	Valid Until:3-Apr-25
FDA	CPR - Bread Stix - Garlic Parmesan	FR-4000003580277	10-Jul-19	Valid Until: 10-Jul-24
FDA	CPR - Expccm - Soy Sauce and Oil (For Export Only)	FR-4000005808011	24-Mar-20	Valid Until: 24-Mar-25
FDA	CPR - Vanilla Cream Filled CPR - Chocolate Sandwich	FR-4000006179124	20-Apr-20	Valid Until: 30-Apr-25
FDA	CPR - Bread Stix 20 Grams and 130 Grams	FR-4000006626040	11-Sep-20	Valid Until: 11-Sep-25
FDA	CPR - Bread Stix 35 Grams	FR-4000006504586	14-Sep-20	Valid Until:14-Sep-25
FDA	CPR - Butter Coconut (Biscuits with Distinct Taste Combination of Butter and Coconut)	FR-4000006626066	28-Sep-20	Valid Until: 28-Sep-25
FDA	CPR - Butter Coconut (Biscuits Blended with Butter and Coconut, Coated with Yummy Sweet Glaze) 25 Grams	FR-4000006626079	15-Dec-20	Valid Until: 28-Sep-25
FDA	CPR - Butter Coconut (Biscuits Blended with Butter and Coconut, Coated with Yummy Sweet Glaze) 90 Grams	FR-4000006626167	16-Dec-20	Valid Until: 28-Sep-25
FDA	CPR - Butter Coconut with Chocolate (Butter Coconut Biscuits Half Coated with Chocolate)	FR-4000002386287	16-May-19	Valid Until: 16-May-24
FDA	CPR - Happy Snackin' - Delicious, Assorted Biscuits	FR-4000006702238	29-Oct-20	Valid Until: 29-Oct-25
FDA	CPR - Nutty Bites – Peanut-shaped, Bite-sized Cookies Made with Real Peanut Butter	FR-4000006071257	28-Apr-20	Valid Until: 28-Aug-25

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Wafer Choco – Choco Wafers with Delicious Chocolate Flavored Cream Filing	FR-4000004632959	24-Mar-20	Valid Until: 24-Mar-25
FDA	CPR - Wafer Vanilla – Vanilla-filled Wafers Wafers with Delicious Vanilla Flavored Cream Filling	FR-4000006281427	26-Jun-20	Valid Until: 26-Jun-25
FDA	CPR - Wafer Yummy Butter – Butter-filled Wafers – Wafers with Delicious Butter Favored Cream Filling	FR-4000006281430	21-Spe-20	Valid Until: 26-Jun-25
FDA	CPR - Wafer Choco- Choco Wafers with Delicious Chocolate Flavored Cream Filling (Extra King Size)	FR-4000007100844	15-Dec-20	Valid Until: 15-Dec-25
FDA	CPR - Wafer Cheese (Cheese Filled-Wafers, Wafers with Delicious Cheese Flavored Cream Filling)	FR-4000004761327	2-Apr-20	Valid Until: 2-Apr-25
FDA	CPR - Wafer Double Chocolate – Choco Wafers with Rich Chocolate Flavored Cream Filling	FR-4000005701771	24-Apr-20	Valid Until: 24-Mar-25
FDA	CPR - Wafer Peanut Butter (Peanut Butter Filled – Wafers, Wafers with Delicious Peanut Butter Flavored Cream Filling)	FR-4000004761662	26-May-20	Valid Until: 26-May-25
FDA	CPR - Seasoning Export Regular Chicken (For Export Only)	FR-4000005790403	20-Mar-20	Valid Until: 20-Mar-25
FDA	CPR - Seasoning Export Regular Beef (For Export Only)	FR-4000005790083	2-Apr-20	Valid Until: 3-Apr-25
FDA	CPR - Padchar - Soy Sauce and Oil (For Export Market Only)	FR-4000005792265	6-Apr-20	Valid Until: 6-Apr-25
FDA	CPR - Expcr - Soy Sauce and Oil (For Export)	FR-4000005807903	31-Mar-20	Valid Until: 31-Mar-25
FDA	CPR - Instant Noodles Lomi Seafood with Vegetables	FR-4000006903497	30-Se-20	Valid Until: 30-Sep-25
FDA	CPR - Fried Garlic (For Export Market Only)	FR-4000007109027	22-Dec-20	Valid Until: 22-Dec-25
FDA	CPR - La Paz Batchoy (Artificial Beef with Garlic) Instant Oriental Noodle Soup (For Export Market Only)	FR-4000005114005	23-Sep-19	Valid Until: 23-Sep-24
FDA	CPR - Bulalo (Artificial Beef and Bone Marrow Flavor) Instant Oriental Noodle Soup (For Export Market Only)	FR-4000005113291	28-Nov-19	Valid Until: 28-Nov-24
FDA	CPR - Chicken Sotanghon (Artificial Chicken Flavour) Instant Vermicelli Soup (For Export)	FR-4000007058299	1-Dec-20	Valid Until: 1-Dec-25

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Beef Flavour Instant Noodle Soup (For Export Market Only)	FR-4000007292800	7-Jan-21	Valid Until: 7-Jan-26
FDA	CPR - Bulalo Flavour (Beef Bone Marrow Flavour) Instant Noodle Soup (For Export Market)	FR-4000007294792	11-Jan-21	Valid Until: 11-Jan-26
FDA	CPR - Chicken Flavor Instant Noodle (For Export Market Only)	FR-4000007295069	7-Jan-21	Valid Until: 7-Jan-26
FDA	CPR - Batchoy Flavour (Beef with Garlic Flavour) Instant Noodle Soup (For Export Market Only)	FR-4000007191370	15-Jan-21	Valid Until: 15-Jan-26
FDA	CPR - Beef Flavour Instant Noodle Soup (For Export Market)	FR-4000003583911	23-Jul-19	Valid Until: 23-Jul-24
FDA	CPR - Bulalo Flavour (Beef Bone Marrow Flavour) Instant Noodle Soup (For Export Market Only)	FR-4000004337900	17-Jul-19	Valid Until: 17-Jul-24
FDA	CPR - Chicken Flavor Instant Noodle Soup (For Export Market Only)	FR-4000004336659	26-Jun-19	Valid Until: 26-Jun-24
FDA	CPR - Jjampong Flavour (Korean-style Spicy Seafood) Instant Noodle Soup (For Export Market Only)	FR-4000007295085	15-Jan-21	Valid Until: 15-Jan-26
FDA	CPR - La Paz Batchoy (Artificial Beef with Garlic) Instant Oriental Noodle Soup-Mini (For Export Market)	FR-4000004834573	29-Jul-19	Valid Until: 29-Jul-24
FDA	CPR - Bulalo (Artificial Beef and Bone Marrow Flavor) Instant Oriental Noodle Soup (For Export Market Only)	FR-4000004835563	12-Jul-19	Valid Until: 12-Jul-24
FDA	CPR - Chicken Sotanghon (Artificial Chicken Flavour) Instant Vermicelli Soup (For Export Market)	FR-4000005537330	28-Jan-20	Valid Until: 28-Jan-25
FDA	CPR - Beef Mami (Artificial Beef Flavour) Instant Oriental Noodle Soup (For Export Market Only)	FR-4000007029316	3-Dec-20	Valid Until: 3-Dec-25
FDA	CPR - Bulalo (Artificial Beef and Bone Marrow Flavor) Instant Oriental Noodle Soup (For Export Market Only)	FR-4000007033234	8-Dec-20	Valid Until: 8-Dec-25
FDA	CPR - La Paz Batchoy (Artificial Beef with Garlic) Instant Oriental Noodle Soup (For Export Market Only)	FR-4000007032169	2-Dec-20	Valid Until: 2-Dec-25
FDA	CPR - Beef Mami (Artificial Beef Flavour) Instant Noodle Soup (For Export Market)	FR-4000004550154	6-Jan-21	Valid Until: 6-Jan-26

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Bulalo (Artificial Bone Marrow Flavor) Instant Noodle Soup (For Export Market)	FR-4000004557881	11-Jan-21	Valid Until: 11-Jan-26
FDA	CPR - Chicken Mami (Artificial Chicken Flavour) Instant Noodle Soup (For Export Market)	FR-4000004557995	6-Jan21	Valid Until: 6-Jan-26
FDA	CPR - Jjampong (Artificial Spicy Seafood Flavour) Instant Noodle Soup (For Export Market)	FR-4000004558086	11-Jan21	Valid Until: 11-Jan-26
FDA	CPR - La Paz Batchoy (Artificial Beef with Garlic) Instant Noodle Soup (For Export Market)	FR-4000004546193	12-Jan-21	Valid Until: 12-Jan-26
FDA	CPR - Seafood (Artificial Seafood Flavour) Instant Noodle Soup (For Export Market Only)	FR-4000004558217	12-Jan-21	Valid Until: 12-Jan-26
FDA	CPR - Beef Mami (Artificial Beef Flavour) Instant Oriental Noodle Soup (For Export Market Only)	FR-4000005407666	9-Dec-19	Valid Until: 9-Dec-24
FDA	CPR - Bulalo (Artificial Beef and Bone Marrow Flavor) Instant Oriental Noodle Soup (For Export Market)	FR-4000005407174	6-Jan-20	Valid Until: 6-Jan-25
FDA	CPR - Chicken Mami (Artificial Chicken Flavour) Instant Oriental Noodle Soup (For Export Market)	FR-4000005407363	27-Nov-19	Valid Until: 27-Nov-24
FDA	CPR - La Paz Batchoy (Artificial Beef with Garlic) Instant Oriental Noodle Soup (For Export Market Only)	FR-4000005405181	14-Feb-20	Valid Until: 14-Feb-25
FDA	CPR - Instant Noodles Artificial Beef Flavor (For Export Market)	FR-4000003902866	11-Jan-2021	Valid Until: 11-Jan-26
FDA	CPR - Bread Stix Biscuits (For Export Market)	FR-4000007294907	12-Jan-21	Valid Until: 12-Jan-26
FDA	CPR - Butter Coconut Biscuits (Biscuits Blended with Butter and Coconut, Coated with Yummy Sweet Glaze) (For Export Market)	FR-4000007296075	6-Jan-21	Valid Until: 6-Jan-26
FDA	CPR - Butter Coconut Biscuits (Biscuits Blended with Butter and Coconut, Coated with Yummy Sweet Glaze) (For Export Market)	FR-4000007295128	13-Jan-21	Valid Until: 13-Jan-26
FDA	CPR - Padchar – Oil (Export Market Only)	FR-4000004844792	3-Apr-20	Valid Until: 3-Apr-25
FDA	CPR - Instant Pancit Canton Fried Noodles Chilimansi	FR-4000004812881	11-Dec-19	Valid Until: 11-Dec-24

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
	Flavour (For Export Market Only)			
FDA	CPR - Instant Pancit Canton Fried Noodles Hot Chili Flavour (For Export)	FR-4000004814122	25-Oct-19	Valid Until: 25-Oct-24
FDA	CPR - Instant Pancit Canton Fried Noodles Kalamansi Flavour (For Export)	FR-4000004815196	25-Oct-19	Valid Until: 25-Oct-24
FDA	CPR - Instant Pancit Canton Fried Noodles Original Flavour (For Export Market Only)	FR-4000004815705	2-Dec-19	Valid Until: 2-Dec-24
FDA	CPR - Instant Pancit Canton Fried Noodles Sweet & Spicy Flavour (For Export Market)	FR-4000004816984	4-Oct-19	Valid Until: 4-Oct-24
FDA	CPR - Pancit Canton Chow Mein Noodles Chilimansi Flavor (Chili & Philippine Lemon Flavor) (For Export Market Only)	FR-4000004473598	17-Jul-19	Valid Until: 17-Jul-24
FDA	CPR - Pancit Canton Chow Mein Noodles Hot Chili Flavor (For Export)	FR-4000004474373	3-Jun-19	Valid Until: 3-Jun-24
FDA	CPR - Pancit Canton Chow Mein Noodles Kalamansi Flavor (Philippine Lemon Flavor) (For Export Market Only)	FR-4000004478753	4-Jul-19	Valid Until: 4-Jul-24
FDA	CPR - Pancit Canton Chow Mein Noodles Original Flavor (For Export)	FR-4000004479408	24-Jul-19	Valid Until: 24-Jul-24
FDA	CPR - Pancit Canton Chow Mein Noodles Sweet & Spicy Flavor (For Export)	FR-4000004475086	1-Jul-19	Valid Until: 1-Jul-24
FDA	CPR - Instant Noodles Lomi I-Instant Thick Noodles Artificial Seafood Flavor with Vegetables (For Export Market Only)	FR-4000007296219	11-Jan-21	Valid Until: 11-Jan-26
FDA	CPR - Sandwich Chocolate - Chocolate Cream Sandwich Biscuit (For Export Market Only)	FR-4000004412225	`12-Jul-19	Valid Until: 12-Jul-24
FDA	CPR - Sandwich Vanilla - Vanilla Cream Sandwich Biscuit (For Export Market)	FR-4000004412863	28-May-19	Valid Until: 28-May-24
FDA	CPR - Seasoning Export Regular Beef (For Export Market Only)	FR-4000005790083	3-Apr-20	Valid Until: 3-Apr-25
FDA	CPR - Seasoning Export Regular Chicken (For Export Market Only)	FR-4000005790403	20-Mar-20	Valid Until: 20-Mar-25
FDA	CPR - Padchar- Soy Sauce and Oil (For Export Market Only)	FR-4000005792265	6-Apr-20	Valid Until: 6-Apr-25

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - EXPCCM- Soy Sauce and Oil (For Export Only)	FR-4000005805011	24-Mar-20	Valid Until: 24-Mar-25
FDA	CPR - EXPCEH- Soy Sauce and Oil	FR-4000005806548	6-Apr-20	Valid Until: 6-Apr-25
FDA	CPR - EXPCK – Soy Sauce and Oil (For Export Market Only)	FR-4000005806812	3-Apr-25	Valid Until: 3-Apr-25
FDA	CPR - EXPCR -Soy Sauce and Oil (For Export)	FR-4000005807903	31-Mar-20	Valid Until: 31-Mar-25
FDA	CPR - EXPCSS – Soy Sauce and Oil (For Export)	FR-4000005808573	24-Mar-20	Valid Until: 24-Mar-25
FDA	CPR - Butter Coconut (Biscuits with Distinct Taste Combination of Butter Flavor and Coconut) (For Export Market Only)	FR-4000004578541	4-Jun19	Valid Until: 4-Jun-24
FDA	CPR - Instant Noodles Hot Cheese Ramyun-Authentic Korean Spicy Seafood Noodle Soup with Cheese Flavor	FR-4000004563688	16-Jan-20	Valid Until: 16-Jan-25
FDA	CPR - Chicken Sotanghon Instant Noodle Soup	FR-4000003519127	13-Sep-19	Valid Until: 13-Sep-24
FDA	CPR - Beef na Beef Flavor Instant Mami Noodles-Mas Pina-Sarap!	FR-4000005434194	20-Dec-19	Valid Until: 20-Dec-24
FDA	CPR - Instant Pancit Canton Chilimansi Flavor	FR-4000004420738	13-Aug-19	Valid Until: 13-Aug-24
FDA	CPR - Instant Pancit Canton Extra Hot Chili Flavor	FR-4000002709701	5-Jun-18	Valid Until: 5-Jun-23
FDA	CPR - Instant Pancit Canton – Kalamansi Flavor	FR-4000003032279	1-Aug-18	Valid Until: 1-Aug-23
FDA	CPR - Instant Pancit Canton – Original Flavor	FR-4000003030101	3-Aug-18	Valid Until: 3-Aug-23
FDA	CPR - Instant Pancit Canton Sweet & Spicy Flavor	FR-4000003034826	20-Aug-18	Valid Until: 20-Aug-23
FDA	CPR - Double Soft Bread	FR-4000006794536	23-Sep-20	Valid Until: 23-Sep-22
FDA	CPR - Soft Bread	FR-4000006793735	21-Sep-20	Valid Until: 21-Sep-22
FDA	CPR - Wheat Bread	FR-4000006794318	19-Sep-20	Valid Until: 19-Sep-22
FDA	CPR - Butter Coconut Biscuits (For Export Market Only)	FR-4000002026396	15-Apr-19	Valid Until: 15-Apr-24
FDA	CPR - Crispy Waffle - Blueberry	FR-4000003271771	10-Feb-19	Valid Until: 19-Feb-24
FDA	CPR - Crispy Waffle - Butter Flavor	FR-4000003270404	29-Jan-19	Valid Until: 29-Jan-24
FDA	CPR - Pandesal (For Institutional Use Only)	FR-4000002013859	14-Sep-17	EXPIRED Ongoing review process. Expected filing not later than 2-

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
				Mar-21. Waiting for the final copy of agreement
FDA	CPR - Minis Double Choco (Chocolate Cream Filled Chocolate Sandwich Cookies)	FR-4000004393555	12-Jul-19	Valid Until: 12-Jul-24
FDA	CPR - Dark Choco Cookies Whole	FR-4000001968969	14-Sep-17	Valid Until: 14-Sep-22
FDA	CPR - Yoghurt with Probiotic and Prebiotic Fibers	FR-4000007127371	6-Jan-21	Valid Until: 6-Jan-26
FDA	CPR - UHT Chocolate Milk Drink with Real Malt	FR-4000006335889	30-Jun-20	Valid Until: 30-Jun-25
FDA	CPR - UHT Chocolate Milk Drink with Real Malt	FR-4000006335847	6-Jul-20	Valid Until: 6-Jul-25
FDA	CPR - Drinking Yoghurt Blueberry Flavoured	FR-4000004098968	13-Jun-19	Valid Until: 13-Jun-24
FDA	CPR - Drinking Yoghurt Kyoho Grape Flavoured	FR-4000004099394	13-Jun-19	Valid Until: 13-Jun-24
FDA	CPR - Drinking Yoghurt Mixed Berries Flavoured	FR-4000004099929	4-Apr-19	Valid Until: 4-Apr-24
FDA	CPR - Yoghurt Drink-Mixed Fruits Flavoured	FR-4000004100548	9-Sep-19	Valid Until: 9-Sep-24
FDA	CPR - Drinking Yoghurt Orange Flavoured	FR-4000004100678	3-Jul-19	Valid Until: 3-Jul-24
FDA	CPR - Drinking Yoghurt Strawberry Flavoured	FR-4000004100812	4-Apr-19	Valid Until: 4-Apr-24
FDA	CPR - Yoghurt Drink with Blueberry Juice	FR-4000006138462	5-Nov-20	Valid Until: 15-Apr-25
FDA	CPR - Yoghurt Drink with Blueberry Juice	FR-4000006141925	15-Oct-20	Valid Until: 23-Apr-25
FDA	CPR - Yoghurt Drink with Blueberry Juice	FR-4000006143732	30-Oct-20	Valid Until: 16-Apr-25
FDA	CPR - Yoghurt Drink with Kyoho Grape Juice	FR-4000006273288	26-May-20	Valid Until: 26-May-25
FDA	CPR - Yoghurt Drink with Kyoho Grape Juice	FR-4000006277349	29-Oct-20	Valid Until: 27-May-25
FDA	CPR - Yoghurt Drink with Kyoho Grape Juice	FR-4000006277352	27-May-20	Valid Until: 27-May-25
FDA	CPR - Yoghurt Drink with Mixed Berries Juice	FR-4000006138680	15-Oct-20	Valid Until: 14-Apr-25
FDA	CPR - Yoghurt Drink with Mixed Berries Juice	FR-4000006142104	4-Nov-20	Valid Until: 15-Apr-25
FDA	CPR - Yoghurt Drink with Mixed Berries Juice	FR-4000006143918	14-Oct-20	Valid Until: 15-Apr-25
FDA	CPR - Yoghurt Drink with Mixed Fruits Juice	FR-4000006278010	26-May-20	Valid Until: 26-May-25
FDA	CPR - Yoghurt Drink with Mixed Fruits Juice	FR-4000006278023	26-May-20	Valid Until: 26-May-25
FDA	CPR - Yoghurt Drink with Mixed Fruits Juice	FR-4000006278036	26-May-20	Valid Until: 26-May-25
FDA	CPR - Yoghurt Drink with Orange Juice	FR-4000006278111	26-May-20	Valid Until: 26-May-25

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Yoghurt Drink with Orange Juice	FR-4000006278300	26-May-20	Valid Until: 26-May-25
FDA	CPR - Yoghurt Drink with Orange Juice	FR-4000006278528	26-May-20	Valid Until: 26-May-25
FDA	CPR - Yoghurt Drink with Strawberry Juice 100 mL	FR-4000006141202	4-Nov-20	Valid Until: 15-Apr-25
FDA	CPR - Yoghurt Drink with Strawberry Juice	FR-4000006142205	30-Oct-20	Valid Until: 15-Apr-25
FDA	CPR - Yoghurt Drink with Strawberry Juice	FR-4000006144113	21-Dec-20	Valid Until: 15-Apr-25
FDA	CPR - Yoghurt Drink with Mixed Berries Juice (Saver Pack)	FR-4000005465028	29-Jan-20	Valid Until: 29-Jan-25
FDA	CPR - Yoghurt Drink with Mixed Berries Juice (Saver Pack)	FR-4000004513159	17-Feb-20	Valid Until: 17-Feb-25
FDA	CPR - Yoghurt Drink with Strawberry Juice (Saver Pack)	FR-4000005464618	19-Feb-20	Valid Until: 19-Feb-25
FDA	CPR - Yoghurt Drink with Strawberry Juice (Saver Pack)	FR-4000004512879	4-Nov-19	Valid Until: 4-Nov-24
FDA	CPR - UHT Soy Milk with Chocolate Hazelnut	FR-4000004545754	5-Mar-20	Valid Until: 7-Nov-24
FDA	CPR - UHT Soy Milk with Japanese Rice	FR-4000004511225	27-Dec-19	Valid Until: 9-Oct-24
FDA	CPR - UHT Soy Milk with Sweet Corn	FR-4000004512563	13-Sep-19	Valid Until: 13-Sep-24
FDA	CPR - Yoghurt Drink with Mixed Berries Juice	FR-4000004534747	29-Sep-19	Valid Until: 29-Sep-24
FDA	CPR - Yoghurt Drink with Mixed Berries Juice	FR-4000004534167	29-Sep-19	Valid Until: 29-Sep-24
FDA	CPR - Yoghurt Drink with Blueberry Juice	FR-4000004527543	24-Sep-19	Valid Until: 24-Sep-24
FDA	CPR - Yoghurt Drink with Blueberry Juice	FR-4000004527439	29-Aug-19	Valid Until: 29-Aug-24
FDA	CPR - Yoghurt drink with Melon Juice	FR-4000004527820	29-Sep-19	Valid Until: 29-Sep-24
FDA	CPR - Yoghurt drink with Melon Juice	FR-4000004518529	1-Oct-19	Valid Until: 1-Oct-24
FDA	CPR - Yoghurt Drink with Mixed Fruits Juice	FR-4000004533744	7-Oct-19	Valid Until: 7-Oct-24
FDA	CPR - Yoghurt Drink with Mixed Fruits Juice	FR-4000004527950	29-Aug-19	Valid Until: 29-Aug-24
FDA	CPR - Yoghurt Drink with Orange Juice	FR-4000004533946	4-Nov-19	Valid Until: 4-Nov-24
FDA	CPR - Yoghurt Drink with Orange Juice	FR-4000004533874	26-Sep-19	Valid Until: 26-Sep-24
FDA	CPR - Yoghurt Drink with Strawberry Juice	FR-4000004534082	29-Aug-19	Valid Until: 29-Aug-24
FDA	CPR - Yoghurt Drink with Strawberry Juice	FR-4000004534037	29-Sep-19	Valid Until: 29-Sep-24
FDA	CPR - Beef na Beef Flavor Instant Mami Noodles	FR-4000006213758	5-May-20	Valid Until: 5-May-25

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Chicken na Chicken Flavor-Instant Mami Noodles	FR-4000006213745	5-May-20	Valid Until: 5-May-25
FDA	CPR - Mini Cookies with Cream	FR-4000001579509	15-Aug-17	Valid Until: 17-Jun-22
FDA	CPR - Mini Cookie Sandwich-Cookies & Cream	FR-4000004362243	28-Sep-20	Valid Until: 25-Jun-24
FDA	CPR - Malkist Sandwich Rich Chocolate-Malkist	FR-4000003503476	21-Mar-19	Valid Until: 21-Mar-24
FDA	CPR - Wafer Deluxe Rich Chocolate-Rich Chocolate with Rice Crispies in-Between Wafer Bars	FR-4000004632597	31-Jul-20	Valid Until: 9-Jan-25
FDA	CPR - Big Bite Burgers-Tasty Meat Free Quorn Beef Style & Red Onion Burgers	FR-4000001878879	25-Jul-17	Valid Until: 26-Jul-22
FDA	CPR - Fillets Made with Mycoprotein	FR-4000001878794	25-Jul-17	Valid Until: 25-Jul-22
FDA	CPR - Fillets Mycoprotein	FR-4000002466220	18-Apr-18	Valid Until: 18-Apr-23
FDA	CPR - Hotdogs Mycoprotein-Savoury Flavor Hotdog made with Mycoprotein	FR-4000002465823	21-May-18	Valid Until: 21-May-23
FDA	CPR - Mince Made with Mycoprotein	FR-4000001878518	15-Sep-17	Valid Until: 15-Sep-22
FDA	CPR - Mycoprotein Burgers	FR-4000002240377	5-Apr-18	Valid Until: 27-Dec-22
FDA	CPR - Mycoprotein Garlic and Mushroom Escalopes	FR-4000002249175	17-Aug-18	Valid Until: 27-Dec-22
FDA	CPR - Mycoprotein Southern Fried Burgers	FR-4000002248651	12-Jun-18	Valid Until: 27-Dec-22
FDA	CPR - Meat-Free Nuggets Mycoprotein	FR-4000002613033	29-Jan-19	Valid Until: 29-Jan-24
FDA	CPR - Meat-Free Nuggets Mycoprotein	FR-4000001200043	2-Feb-17	Valid Until: 10-Aug-21
FDA	CPR - Sausage Mycoprotein	FR-4000002465982	21-Jun-18	Valid Until: 21-Jun-23
FDA	CPR - Mycoprotein Sausage Patties	FR-4000002248169	16-Nov-17	Valid Until: 16-Nov-22
FDA	CPR - Southern Fried Chicken Style Bites	FR-4000002613235	14-Jan-19	Valid Until: 14-Jan-24
FDA	CPR - Swedish Style Balls	FR-4000002249696	27-Dec-17	Valid Until: 27-Dec-22
FDA	CPR - Vegan Breaded Fillets	FR-4000002248866	19-Apr-18	Valid Until: 27-Dec-22
FDA	CPR - Vegan Burger Mycoprotein	FR-4000002465689	19-Apr-18	Valid Until: 19-Apr-23
FDA	CPR - Vegan Fillets	FR-4000002466099	18-Apr-18	Valid Until: 18-Apr-23
FDA	CPR - Vegan Fishless Fingers-Fish Free Savoury Flavour Fingers, Made with Mycoprotein	FR-4000002466334	5-Jun-18	Valid Until: 5-Jun-23

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Vegan, Hot & Spicy Burgers	FR-4000002249537	6-Dec-17	Valid Until: 6-Dec-22
FDA	CPR - Southern Fried Bites	FR-4000002168634	11-Oct-17	Valid Until: 11-Oct-22
FDA	CPR - Bread Crumbs	FR-4000001452301	9-May-17	EXPIRED Ongoing review process, expected filing not later than 2-Mar-21
FDA	CPR - Hamburger Buns	FR-4000001288494	17-Apr-17	EXPIRED Ongoing review process, expected filing not later than 2-Mar-21
FDA	CPR - Mongo Bread	FR-4000001335679	20-Apr-17	EXPIRED Ongoing review process, expected filing not later than 2-Mar-21
FDA	CPR - Grahams – Crushed Honey Graham Crackers	FR-4000000709855	20-oct-16	Valid Until: 20-Oct-21
FDA	CPR - Crackers	FR-4000000742210	16-Aug-16	Valid Until: 16-Aug-21
FDA	CPR - Grahams- Chocolate Graham Crackers	FR-400000576020	21-Jun-16	Valid Until: 21-Jun-21
FDA	CPR - Grahams-Honey Graham Crackers	FR-400000576088	29-Sep-16	Valid Until: 29-Sep-21
FDA	CPR - Honey Graham Crackers	FR-4000000546098	24-Oct-16	Valid Until: 25-Oct-21
FDA	CPR - Grahams – Pieces Broken	FR-4000000665003	24-Jun-16	Valid Until: 24-Jun-21
FDA	CPR - Grahams – Pieces Crumble	FR-4000000664087	21-Jun-16	Valid Until: 21-Jun-21
FDA	CPR - Grahams- Crackers Round	FR-4000000664909	23-Jun-16	Valid Until: 23-Jun-21
FDA	CPR - Crackers-Cheese	FR-4000000603711	21-Jun-16	Valid Until: 21-Jun-21

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Dark Choco Cookies Chunk with Vanilla Cream	FR-4000001195611	30-May-17	Valid Until: 3-Mar-22
FDA	CPR - Dark Choco Cookies Coarse	FR-4000001195510	30-May-17	Valid Until: 3-Mar-22
FDA	CPR - Dark Choco Cookies-Crumble	FR-4000001195712	9-Jul-19	Valid Until: 17-Mar-22
FDA	CPR - Dark Choco Cookies Powder with Vanilla Cream	FR-4000001195767	11-Aug-17	Valid Until: 3-Mar-22
FDA	CPR - Dark Choco Cookies Powder	FR-4000001195350	2-Apr-19	Valid Until: 8-Mar-22
FDA	CPR - Cookies Dark Chocolate Bits	FR-4000000546681	20-May-16	Valid Until: 20-May-2
FDA	CPR - Probiotic Drink + Prebiotic Fiber	FR-4000001786578	7-May-20	Valid Until: 22-Oct-25
FDA	CPR - Probiotic Drink + Prebiotic Fiber	FR-4000001514524	16-May-19	Valid Until: 16-June-22
FDA	CPR - Mini Cookie Pieces	FR-4000001579701	4-May-17	Valid Until: 4-May-22
FDA	CPR - Waffle Deluxe Minis	FR-4000001331895	31-Aug-18	Valid Until: 5-Jan-24
FDA	CPR - Best of British Sausages	FR-4000000668305	7-Jun-16	Valid Until: 7-Jun-21
FDA	CPR - Big Bite Burgers (Quorn Beef Style and Red Onion Burgers)	FR-4000000584810	13-Apr-16	Valid Until: 13-Apr-21
FDA	CPR - Chipolata Sausages	FR-4000000651622	19-May-16	Valid Until: 19-May-21
FDA	CPR - Deli Pepperoni	FR-4000000650850	6-Dec-16	Valid Until: 1-Jun-21
FDA	CPR - Fillets	FR-4000000467768	04-Mar-2021	Valid Until: 07-Mar-26
FDA	CPR - Mince	FR-4000000467944	04-Mar-2021	Valid Until: 17-Feb-26
FDA	CPR - Nuggets	FR-4000000651358	04-Mar-2021	Valid Until: 01-Jun-26
FDA	CPR - Nuremburg Sausage (Meat Free Quorn Nuremburg Sausage with Mycoprotein)	FR-4000000581693	04-Mar-2021	Valid Until: 11-Apr-26
FDA	CPR - Pieces	FR-4000000507286	04-Mar-2021	Valid Until: 09-Mar-26
FDA	CPR - Quarter Pounder Burger	FR-4000000651114	13-Jun-16	Valid Until: 13-Jun-21
FDA	CPR - Meat-Free Chunks Mycoprotein	FR-4000001212516	24-Jan-17	Valid Until: 10-Aug-21
FDA	CPR - Meat-Free Grounds Mycoprotein	FR-4000001195842	24-Jan-17	Valid Until: 10-Aug-21
FDA	CPR - Meat Free Sausage Patties (Meat Free Sausage Flavor Patties Made with Mycoprotein, with a Herb Seasoning)	FR-4000001545777	13-Jun-17	Valid Until: 13-Jun-22
FDA	CPR - Meat Free Vegan Fillets (Meat Free Savoury Flavor	FR-4000001501247	5-May-17	Valid Until: 5-May-22

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
	Fillets, Made with Mycoprotein)			
FDA	CPR - Vegan, Meat Free, Hot & Spicy Burgers-Meat Free Flavored Burger Patties Made with Mycoprotein (Frozen)	FR-4000001544729	20-Apr-17	Valid Until: 20-Apr-22
FDA	CPR - Meat Free Sausage Patties	FR-4000000629098	17-May-16	Valid Until: 17-May-21
FDA	CPR - Southern Style Burgers (Quorn Burgers Made from Mycoprotein Coated in Breadcrumb)	FR-4000000668129	13-Jun-16	Valid Until: 13-Jun-21
FDA	CPR - Steak Strips	FR-4000000663658	2-Jun-16	Valid Until: 2-Jun-21
FDA	CPR - Meat Free Chipolata Style Sausages-Meat Free Port Flavour Sausage Made with Mycoprotein (Frozen)	FR-140144	10-Aug-16	Valid Until: 10-Aug-21
FDA	CPR - Meat Free Hot & Spicy Chicken Style Bites-Meat Free Chicken Flavour Bites Made with Mycoprotein and Coated in a Hot & Spicy Marinade and Crispy Coating (Frozen)	FR-140140	10-Aug-16	Valid Until: 10-Aug-21
FDA	CPR - Meat Free Southern Fried Chicken Style Bites-Meat free Chicken Flavour Bites Made with Mycoprotein in a Crunchy Wholesome Breadcrumb Coating (Frozen)	FR-140143	10-Aug-16	Valid Until: 10-Aug-21
FDA	CPR - Cookie Feels Minis Chocolate-Be Filled with Love Through Mini Bingo Choco-Ship Cookies with Rich Chocolate Filling	FR-4000003575280	29-Jan-19	Valid Until: 29-Jan-24
FDA	CPR - Cookie Hugs Orange (Seal it with a Sweet Hug of Bingo Orange Cookies Coated in Rich Chocolate)	FR-4000002233613	10-Jan-18	Valid Until: 10-Jan-23
FDA	CPR - Cookie Hugs Strawberry - Seal it with a Sweet Hug of Bingo Cream Filled Cookies Coated in Rich Chocolate	FR-4000004047085	10-Jun-24	Valid Until: 10-Jun-24
FDA	CPR - Special Cream Pufffs With Chocolate Filling	FR-4000001474240	22-Feb-19	Valid Until: 22-Feb-24
FDA	CPR - Special Cream Pufffs with Custard Filling	FR-4000001353079		Valid Until: 22-Feb-24
FDA	CPR - Special Mamon Choco Orange - Chocolate	FR-4000003503593	29-Jan-19	Valid Until: 29-Jan-24
FDA	CPR - Special Mamon Chocolate Cream-Filled	FR-4000001579769	24-Jul-18	Valid Until: 04-Nov-23
FDA	CPR - Special Mamon Classic-Saver Pack	FR-4000001426065	14-Mar-18	Valid Until: 24-Mar-22

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Special Mamon Mocha	FR-4000001582020	25-Jul-18	Valid Until: 12-Sep-23
FDA	CPR - Special Mamon Red Velvet with Cream	FR-4000002168399	19-Oct-19	Valid Until: 19-Oct-22
FDA	CPR - Special Mamon Strawberry Cream Flavor	FR-4000001583704	1-Dec-20	Valid Until: 01-Apr-26
FDA	CPR - Special Mamon Vanilla Cream Flavor	FR-4000001583788	4-Sep-18	Valid Until: 04-Nov-23
FDA	CPR - Special Mamon Mini Chocolate Cream-Filled	FR-4000002667753	24-Apr-18	Valid Until: 24-Apr-23
FDA	CPR - Special Mamon Mini Classic	FR-4000002638711	19-Apr-18	Valid Until: 19-Apr-23
FDA	CPR - Bread Stix Cheese	FR-4000001317657	27-Mar-17	Valid Until: 09-Sep-25
FDA	CPR - Bread Stix Cheese 20 Grams	FR-4000001317657	6-Oct-20	09-Sep-25
FDA	CPR - Crushed Choco Cookies with Vanilla Cream	FR-4000001474338	1-Mar-20	Valid Until: 20-Apr-22
FDA	CPR - Orange-Orange Cream Filled Chocolate Sandwich Cookies	FR-4000001470655	10-Feb-18	Valid Until: 08-May-22
FDA	CPR - Crushed Vanilla-Institutional Pack	FR-4000001474338	19-Mar-20	Valid Until: 20-Apr-22
FDA	CPR - Bread Stix - Original Flavor	FR-4000003393509	22-Nov-18	Valid Until: 22-Nov-23
FDA	CPR - Cruncher- Caramel Cinnamon (For Institutional Use Only)	FR-4000003397237	29-Jan-19	Valid Until: 29-Jan-24
FDA	CPR - Special Mamon - Classic (For Institutional Use Only)	FR-4000003378720	19-Feb-19	Valid Until: 19-Feb-24
FDA	CPR - Butter Coconut Bites (Bite-Sized Butter Coconut Biscuits)	FR-4000001474279	10-Jul-20	Valid Until: 15-Aug-22
FDA	CPR - CPR - Cube Wafer Chocolate & Cream - Chocolate Wafer with Vanilla Flavored Cream Filling	FR-4000001352744	25-Sep-17	Valid Until: 05-Jan-23
FDA	CPR - Cubee Wafer Vanilla Fudge - Wafer with Chocolate and Vanilla Flavored Cream Filling	FR-4000001352803	21-Sep-17	Valid Until: 05-Jan-23
FDA	CPR - Eggnog Cookies	FR-4000002842433	16-Jan-19	Valid Until: 16-Valid Until: Jan-24
FDA	CPR - Eggnog Cookies	FR-4000002846116	29-Jan-19	Valid Until: 29-Jan-24
FDA	CPR - Stick Wafer Chocolate - Stick Wafer with Chocolate Flavored Cream Filling	FR-4000001221699	6-Apr-17	Valid Until: 10-Mar-22
FDA	CPR - Stick Wafer with Strawberry Flavored Cream Filling	FR-4000001301081	11-Mar-17	Valid Until: 25-Jun-22

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Cafe mocha - Mocha Cream Filled Cracker Wafer Sandwich Topped with Sugar	FR-4000000963514	12-Oct-18	Valid Until: 18-Nov-21
FDA	CPR - Chocolate Cream Filed Cracker-Wafer Sandwich Topped with Sugar	FR-4000001315358	5-April-19	Valid Until: 05-May-22
FDA	CPR - Overload Creamy Chocolate Sandwich with Rich Chocolate Coating	FR-4000001573181	15-Feb-19	Valid Until: 05-Jan-23
FDA	CPR - Strawberry Cream Filled Cracker Wafer	FR-4000000757359	26-Feb-19	Valid Until: 11-May-23
FDA	CPR - Wafer Cheese - Crispy Wafers with Delicious Cheese Flavored Cream Filling (King Size)	FR-4000002388560	21-Mar-18	Valid Until: 21-Mar-23
FDA	CPR - Wafer Choco-Crispy Choco Wafers with Delicious Chocolate Flavored Cream Filling	FR-4000001315576	28-Dec-18	Valid Until: 11-Mar-22
FDA	CPR - Chiz Bread Stix Biscuits (For Export Market Only)	FR-4000002764861	13-Aug-18	Valid Until: 13-Aug-23
FDA	CPR - Crunchers Caramel Cinnamon (For Export)	FR-4000002026569	5-Jun-18	Valid Until: 05-Jun-23
FDA	CPR - Crunchers Sweet Corn (For Export Market Only)	FR-4000002026703	17-Apr-18	Valid Until: 17-Apr-23
FDA	CPR - Namnam All-In-One Fine Seasoning Granules (Export)	FR-4000001926129	7-Jan-21	Valid Until: 07-Sep-22
FDA	CPR - Instant Pancit Canton Chili & Citrus Flavour (For Export Market Only)	FR-4000002322292	23-Jan-18	Valid Until: 23-Jan-23
FDA	CPR - Instant Pancit Canton-Hot Chili Flavour (For Export)	FR-4000002322960	11-Jan-18	Valid Until: 11-Jan-23
FDA	CPR - Instant Pancit Canton Kalamansi Flavour (For Export)	FR-4000002322595	28-Nov-17	Valid Until: 28-Nov-22
FDA	CPR - Instant Pancit Canton Original Flavour (For Export Market Only)	FR-4000002323253	3-Jan-18	Valid Until: 03-Jan-23
FDA	CPR - Instant Pancit Canton Sweet & Spicy Flavour (For Export Market Only)	FR-4000002323628	11-Jan-18	Valid Until: 11-Jan-23
FDA	CPR - Special Cream Puffs with Chocolate Filling (For Export Market Only)	FR-4000002393713	13-Mar-18	Valid Until: 13-Mar-23
FDA	CPR - Special Cream Puffs with Custard Filling (For Export Market Only)	FR-4000002393612	7-Mar-18	Valid Until: 07-Mar-23
FDA	CPR - Special Cream Puffs with Lemon Filling (For Export Market Only)	FR-4000002393494	17-May-18	Valid Until: 17-May-23
FDA	CPR - Stir-fry Instant Noodles - Garlic Pork Flavor Jumbo -	FR-4000003071472	17-Aug-18	Valid Until: 17-Aug-23

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
	80 Grams (For Export Market Only)			
FDA	CPR - Stir-fry Instant Noodles - Mala Flavor (For Export)	FR-4000003075272	9-Aug-18	Valid Until: 09-Aug-23
FDA	CPR - Stir-fry Instant Noodles - Pad Char Flavor Jumbo - 80 Grams (For Export Market)	FR-4000003070538	24-Jul-18	Valid Until: 24-Jul-23
FDA	CPR - Stir-fry Instant Noodles - Spicy Chicken Flavor Jumbo - 80 Grams (For Export Market)	FR-4000003073973	12-Sep-18	Valid Until: 12-Sep-23
FDA	CPR - Bread Stix Cheese	FR-4000003393815	23-Oct-18	Valid Until: 23-Oct-23
FDA	CPR - Bread Stix - Original Flavor	FR-4000003393509	22-Nov-18	Valid Until: 22-Nov-23
FDA	CPR - Cruncher - Caramel Cinnamon (For Institutional Use Only)	FR-4000003397237	29-Jan-19	Valid Until: 29-Jan-24
FDA	CPR - Bulalo Flavor Instant Noodle Soup (Mini)	FR-4000001675092	11-Jul-17	Valid Until: 11-Jul-22
FDA	CPR - Bulalo Flavor Instant Noodle Soup	FR-4000001713602	12-Jul-17	Valid Until: 12-Jul-22
FDA	CPR - Chicken Mami Instant Noodle Soup (Mini)	FR-4000000615138	1-Dec-20	Valid Until: 10-May-26
FDA	CPR - Instant Noodles Jjamppong-Authentic Korean Spicy Seafood Noodle Soup	FR-4000002213826	9-Oct-18	Valid Until: 13-Oct-22
FDA	Instant Noodles Jjamppong-Authentic Korean Style Spicy Seafood Noodle Soup	FR-4000002214597	3-Apr-19	Valid Until: 23-Oct-22
FDA	CPR - La Paz Batchoy Instant Noodle Soup (Mini)	FR-4000017113817	19-Jul-17	Valid Until: 19-Jul-22
FDA	CPR - La Paz Batchoy Instant Noodle Soup	FR-4000001714272	13-Jul-17	Valid Until: 13-Jul-22
FDA	CPR - Lomi-Instant Noodles Seafood Flavor with Vegetables	FR-4000003877171	29-Apr-19	Valid Until: 29-Apr-24
FDA	CPR - Seafood Flavor Instant Noodle Soup (Mini)	FR-4000001714546	14-Jun-17	Valid Until: 14-Jun-22
FDA	CPR - Seafood Flavor Instant Noodle Soup (Regular)	FR-4000001714823	14-Jun-17	Valid Until: 14-Jun-22
FDA	CPR - Special Beef Flavor Instant Noodle Soup (Mini)	FR-4000001714966	19-Jun-17	Valid Until: 19-Jun22
FDA	CPR - Spicy Bulalo Flavor Instant Noodle Soup (Mini)	FR-4000001716210	19-Jul-17	Valid Until: 19-Jul-22
FDA	CPR - Spicy Bulalo Flavor Instant Noodle Soup	FR-4000001716324	12-Jul-17	Valid Until: 12-Jul-22
FDA	CPR - Spicy La Paz Batchoy Instant Noodle Soup	FR-4000000662264	13-Jun-16	Valid Until: 13-Jun-21
FDA	CPR - Spicy La Paz Batchoy Instant Noodle Soup	FR-4000000662583	17-Jun-16	Valid Until: 17-Jun-21
FDA	CPR - Chicken na Chicken Flavor Instant Mami Noodles	FR-4000001327544	30-Apr-20	Valid Until: 7-May-22

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR - Instant Noodles Creamy Seafood Flavor (Reformulated)	FR-4000002572248	22-Jul-18	Valid Until: 22-Jul-23
FDA	CPR - Itnok Chicken with Egg Flavor Instant Mami Noodles	FR-4000001317631	27-Dec-19	Valid Until: 9-Jan-25
FDA	CPR - Spicy Labuyo Beef Flavor Instant Mami Noodles	FR-4000001019494	21-Feb-20	Valid Until: 3-Jan-22
FDA	CPR - Spicy Labuyo Chicken Flavor Instant Mami Noodles	FR-4000001018808	19-Feb-20	Valid Until: 21-Jul-23
FDA	CPR - Spicy Labuyo Pork Flavor Instant Mami Noodles	FR-4000001018707	23-Dec-19	Valid Until: 21-Jul-23
FDA	CPR - Nam Nam All-3-in-One Seasoning Granules (Sakto Pack)	FR-4000002559641	26-Mar-18	Valid Until: 26-Mar-23
FDA	CPR - Nam Nam All-3-in-One Seasoning Granules (Professional Pack)	FR-4000002559319	29-Jan-19	Valid Until: 5-Feb-23
FDA	CPR - Nam Nam All-3-in-One Seasoning Granules	FR-4000002559494	21-Mar-18	Valid Until: 21-Mar-23

B. Monde M. Y. San Corporation

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
LGU	Business Permit for 1 Tagaytay Ridge Dr. CIP II Punta, Calamba City Laguna	2021-04578	8-Feb-21	Valid Until: 31-Dec-21
LGU	Business Permit for 543 Garcia St., Marick Subd., Cainta Rizal Lessor of Commercial Building	20212803	4-Feb-21	Valid Until: 31-Dec-21
LGU	Business Permit for 543 Garcia St., Marick Subd., Cainta Rizal Manufacturer/ Exporter	20212804	4-Feb-21	Valid Until: 31-Dec-21
DENR	Environmental Compliance Certificate for Biscuits, Crackers, Cookies and Wafers Manufacturing Plant Project located at No. 534 Garcia Street, Marick Subdivision, Barangay Sto. Domingo, Cainta, Rizal	ECC-R4A-1210-0313	12-Nov-18	Valid
DENR	Environmental Compliance Certificate for Food Manufacturing Plant Project located at Lot C4-11, Carmelray Industrial Park I, Barangay Punta, Calamba City, Laguna	ECC-LLDA-2007-240-3122	31-Aug-17	Valid
FDA	LTO as a Food Manufacturer Business Address: #1 Tagaytay Ridge Drive, Carmelray Industrial Park II, Barangay Punta, Calamba Laguna	LTO-3000001444002	No date of issuance	Valid Until: 8-Apr-22
FDA	Certificate of Current Good Manufacturing Practice Business Address: #1 Tagaytay Ridge Drive, Carmelray	For LTO No. LTO-3000001444002	29-Aug-17	Valid Until: 8-Apr-11

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
	Industrial Park II, Barangay Punta, Calamba Laguna			
FDA	LTO as a Food Manufacturer/ Importer /Exporter Bo. Sto. Domingo, Cainta, Rizal	CFRR-RIV-FM-1948	16-Dec-16	Valid Until: 18-Jan-22
FDA	Certificate of Current Good Manufacturing Practice	For LTO No. CFRR-RIV-FM-1948	16-Dec-16	Valid Until: 18-Jan-22
FDA	LTO	LTO-300000144402	25-Aug-17	Valid Until: 08-Apr-22
FDA	Certificate of Current Good Manufacturing Practice	For LTO No. CFRR-RIV-FM-3053	16-Dec-16	Valid Until: 18-Jan-22
FDA	CPR - Cracker Sandwich – Mantikilya Flavor	FR-4000002374828	27-Jul-18	Valid Until: 27-Jul-23
FDA	CPR - Cracker Sandwich – Made with Lyly's Peanut Butter	FR-4000005412949	10-Mar-20	Valid Until: 10-Mar-25
FDA	CPR-Butter Cookies	FR-4000005831504	24-Mar-20	Valid Until: 11-Feb-25
FDA	CPR-Danish Style Butter Cookies	FR-4000002248488	24-Jul-18	Valid Until: 24-Jul-23
FDA	CPR-Crackers	FR-4000006190914	21-Apr-20	Valid Until: 21-Apr-25
FDA	CPR-Cracker Sandwich – bacon Flavor Spread	FR-4000004816405	27-Nov-19	Valid Until: 27-Nov-24
FDA	CPR-Wheat Cracker Sandwich-Cheese Flavor	FR-4000001271290	31-Jan-18	Valid Until: 31-Jan-23
FDA	CPR-Cracker Sandwich- Spicy Tuna Flavor Spread	FR-4000004816926	25-Oct-19	Valid Until: 25-Oct-24
FDA	CPR-Cracker Sandwich-Artificial Chocolate Flavor (For Export Market Only)	FR-4000002739430	10-July-19	Valid Until: 10-Jul-24
FDA	CPR-Cracker Sandwich- Lemon Flavor (For Export Market Only)	FR-4000002444381	2-Jul-19	Valid Until: 2-Jul-24
FDA	CPR-Cracker Sandwich-Artificial Strawberry Flavor (For Export Market Only)	FR-4000004552831	8-Jul-19	Valid Until: 8-Jul-24
FDA	CPR-Crackers – Original (For Export)	FR-4000002882669	11-Apr-19	Valid Until: 11-Apr-24
FDA	CPR-Grahams – Chocolate Graham Crackers	FR-4000005410217	4-Feb-20	Valid Until: 4-Feb-25
FDA	CPR-Grahams Honey Crushed 7.5 KG Pack	FR-400000717645	12-Oct-17	Valid Until: 12-Oct-22
FDA	CPR-Happy Time Assortment (Vanilla Suga Wafers, Chocolate Sandwich Cookies, Marie Biscuits and Fita Crackers)	FR-4000004804349	2-Jan-20	Valid Until: 2-Jan-25
FDA	CPR-Crackers	FR-4000004803913	5-Nov-19	Valid Until: 20-Aug-24
FDA	CPR-Crackers	FR-4000004803795	4-Nov-19	Valid Until: 20-Aug-24
FDA	CPR-Crackers with Flaxseed	FR-4000001271418	6-Apr-17	Valid Until: 13-Jan-22
FDA	CPR-Crackers – Garlic Flavor	FR-4000002094238	9-Aug-18	Valid Until: 9-Aug-23

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR-Oat Fiber Crackers	FR-4000003504742	6-Mar-19	Valid Until: 6-Mar-24
FDA	CPR-Sky Flakes Cracker – Onion & Chives	FR-4000002823577	20-Jun-18	Valid Until: 20-Jun-23
FDA	CPR-Crushed Honey Grahams Crackers (Institutional Use Only)	FR-4000001452457	22-May-17	Valid Until: 22-May-22
FDA	CPR-Cracker Sandwich – Condensada Flavor	FR-4000001811801	7-Sep-17	Valid Until: 2-Sep-22
FDA	CPR- Cracker Sandwich – Tsokolate Flavor	FR-4000000730314	11-Aug-17	Valid Until: 11-Aug-22

C. Sarimonde Foods Corporation

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
LGU	Business permit for Carmerlay Industrial Park 1, Canlubang Calamba City, Laguna	2021-04679	10-Feb-21	Valid
FDA	LTO as a Food Importer/Wholesaler Business Address: 19-H Carmelray Industrial Park I, Canlubang, Calamba, laguna	LTO-3000005783790	No date of issuance	Valid Until: 14-Feb-22
FDA	LTO as a Food Manufacturer Business Address: 19-H Carmelray Industrial Park I, Canlubang, Calamba, laguna	LTO-3000005414609	No date of issuance	Valid Until: 17-Dec-24
FDA	Certificate of Current Good Manufacturing Practice-SMFC	For LTO No. LTO-3000005414609	15 Sep 20	Valid Until: 17Dec 2024
DENR	ECC – Manufacturing of Bakery Products in Calamba Laguna	ECC-OL-R4A-2017-0079	12-May-17	Valid
FDA	CPR - Hotdog Rolls with Sesame	FR-400000960562	30-Jul-20	Valid Until: 17-Jul-24
FDA	CPR -Jumbo Hamburger Buns with Sesame	FR-4000002955410	7-Aug-18	Valid Until: 7-Aug-23
FDA	CPR - Super Jumbo Whole Wheat Bun	FR-4000003225983	17-Oct-18	Valid Until: 17-Oct-23
FDA	CPR - Whole Wheat Loaf	FR-4000002960256	2-Jul-18	Valid Until: 2-Jul-23
FDA	CPR - Whole Wheat Vienna Loaf (For Institutional Use Only)	FR-4000003226481	17-Sep-18	Valid Until: 17-Sep-23
FDA	CPR - Filipino Tasty	FR-4000004363103	23-Jul-19	Valid Until: 23-Jul-24
FDA	CPR - Salad Croutons	FR-4000003226736	11-Oct-18	Valid Until: 11-Oct-23
FDA	CPR - Dinner Rolls	FR-4000004317487	15-Jul-19	Valid Until: 15-Jul-24
FDA	CPR - White Bread	FR-4000004383990	16-Jul-19	Valid Until: 16-Jul-24
FDA	CPR - Sandwich Loaf	FR-4000003121601	27-Sep-18	Valid Until: 27-Sep-23
FDA	CPR - Hotdog Bun	FR-4000002720399	14-Jul-18	Valid Until: 14-Jul-23
FDA	CPR -Crunchy Salad Croutons	FR-4000003226582	31-Aug-18	Valid Until: 31-Aug-23
FDA	CPR -Hotdog Rolls- Bread	FR-4000003226335	20-Sep-18	Valid Until: 20-Sep-23
FDA	CPR -Pandesal	FR-4000003226670	24-Sep-18	Valid Until: 24-Sep-23
FDA	CPR -Wheat Bread (Sugar Free)	FR-4000003108772	20-Aug-18	Valid Until: 20-Aug-23
FDA	CPR -Thick Slice Superloaf	FR-4000003110577	9-Oct-18	Valid Until: 9-Oct-23
FDA	CPR -High Fiber Wheat Bread	FR-4000003069143	2-Oct-18	Valid Until: 2-Oct-23
FDA	CPR -Crunchy Salad Croutons	FR-4000003226582	31-Aug-18	Valid Until: 31-Aug-23
FDA	CPR -Dinner Rolls	FR-4000004904791	4-Feb-20	Valid Until: 4-Feb-25

Issuing Agency	Permits/Clearance	Permit/License Number	Date of Issuance	Status/remarks
FDA	CPR -Double Fiber Wheat Bread	FR-4000004379160	26-Mar-20	Valid Until: 26-Mar-25
FDA	CPR – Hamburger Buns with Sesame	FR-4000004314592	16-Jul-19	Valid Until: 16-Jul-24
FDA	CPR – Super Jumbo Whole Wheat Bun	FR-4000003225983	17-Oct-18	Valid Until: 17-Oct-23
FDA	CPR – Hotdog Rolls with Sesame	FR-4000004341091	17-Jul-19	Valid Until: 17-Jul-24
FDA	CPR – Crunchy Salad Croutons	FR-4000003226582	31-Aug-18	Valid Until: 31-Aug-23
FDA	CPR – Hotdog Rolls - Bread	FR-4000003226335	20-Sep-18	Valid Until: 20-Sep-23
FDA	CPR – Dinner Rolls	FR-4000004904791	04-Feb-20	Valid Until: 04-Feb-2025
FDA	Certificate of current Good Manufacturing Practice	FM-2020-47	15-Sep-24	Valid Until: 17-Dec-24
LLDA	Discharge permit Exemption	DP-2020-10-3874	30-Oct-20	Valid Until: 30-Oct-21

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